

OVERSEAS MOVING
BY MICHAEL GERSON
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Gun attack wounds three soldiers in UK

Three soldiers were shot and wounded last night in the English Midlands city of Lichfield. Staffordshire as they stood on the city's railway station. Police were last night hunting two masked men seen near the shooting.

One soldier was "very seriously injured" and all three were in hospital, the Ministry of Defence said yesterday.

The men were from the depot of the Prince of Wales's Division at Whittington Barracks, a big Army garrison in the city.

Earlier this week the IRA shot two Australians dead in the Dutch village of Roermond, mistaking them for British servicemen.

Superpower leaders agree on substantial arms cuts

By Peter Riddell and Lionel Barber in Washington

PRESIDENT George Bush and President Mikhail Gorbachev yesterday agreed on substantial cuts in their chemical and nuclear arms.

They also sought to narrow their differences over the future security of Europe after German unification.

The public highlight of the second day of the four-day superpower summit was the signing of a treaty virtually eliminating both countries' stocks of chemical weapons.

After their third session of talks at the White House yesterday, Mr Gorbachev said he and Mr Bush had made "a lot of progress" on an agreement to cut strategic nuclear weapons by 30 per cent. A treaty will be formally signed later this year, probably in Moscow.

Throughout yesterday, as on Thursday, it was President Gorbachev who sought the limelight, both in the US and in pictures televised back in the Soviet Union, to deny increasing assertions by American commentators that he is a weak leader who may be on the way out.

In an earlier meeting with US Congressional leaders, Mr Gorbachev sounded defensive as he repeatedly stressed that he was not going "to beg for anything" over trade. While acknowledging Soviet economic problems, he said, "we are not asking for a free ride."

During a remarkably frank meeting which to the dismay of US participants was televised - Mr Gorbachev said no "realistically minded person" could want a weak Soviet Union with problems and in turmoil. He warned against "thinking in troubled waters."

The main focus of the talks is the future security of Europe. A variety of ideas have been put forward in the hope of narrowing differences over the west's demand that a

united Germany should remain in Nato.

After days of breaking the current impasse had emerged late on Thursday, Mr James Baker, the US Secretary of State, and Mr Eduard Shevardnadze, the Soviet Foreign Minister, were told to examine possible routes forward. They will meet Mr Hans-Dietrich Genscher, the West German Foreign Minister, in Copenhagen next week.

Both sides say the German question cannot be resolved during the current summit, not least because several other countries are affected and have to be consulted.

However, the more positive tone over Germany expressed by both presidents suggests that there has been movement towards a compromise. This turns on ideas worked out between Bonn and Washington for future limits on the size of an all-German army as part of

Thatcher denies rail link backing

By Andrew Taylor

A MINISTERIAL group led by Mrs Margaret Thatcher, UK Prime Minister, has decided that the Government should not give parliamentary backing to a bill allowing a high-speed rail line to link London and the Channel Tunnel.

The decision effectively means that work on the proposed £2.6bn line passing through Kent to a London rail terminal will not proceed.

European Rail Link - a joint public and private sector consortium comprising British Rail, Trafalgar House and BICC - has said it will not go ahead with the line unless the Government backs it with a hybrid bill in Parliament. Hybrid bills allow legislation which has not necessarily been initiated by the Government to be enacted with its support.

A committee of senior ministers established to consider the plan, however, is understood to have concluded that a hybrid bill would be inappropriate. Instead, the Government is expected to announce that it will consider proposals for a high speed link in the form of a private bill that would not necessarily be given time.

The ministerial grouping includes Mrs Thatcher, Mr John Major, the Chancellor, and Mr Cecil Parkinson, Secretary for Transport. It is expected to report its decision to the cabinet next week.

If the whole cabinet agrees with the ministers' decision, the result will be that government will not have to take responsibility for promoting a controversial route in the run-up to a general election.

Building the line would have involved loss of land and compulsory purchase of homes in Kent and south London.

Although rival schemes to the Eurotunnel exist, it is unlikely that their promoters would be able to carry out detailed engineering studies and preparatory work in time for a bill before the election.

Legislative factors apart, some ministers were concerned that by promoting a bill, the Government might be involved in the Channel Tunnel project, which could prove embarrassing if it ran into further financial snags endangering public support for the rail link.

European Rail Link's proposals included the suggestion that public investment of £400m should go towards the total cost in recognition of the fact that space would be available to commuter trains.

Weekend FT



FOOTBALL'S FRONT LINE

The World Cup kicks off in Milan on Friday. John Wyles reports on the build-up to soccer's greatest spectacle

Page I

Finance
How to become indispensable at work

Page III

Perspectives
David Waller makes a painful return to Manchester Grammar School

Page VII

Food & Wine
Janis Robinson raises a toast to the best of British wine

Page VIII

How To Spend It
Lucia van der Post picks hats that stand out above the crowd while Max Wilkinson chooses a lap top computer

Page IX

Collecting
Antony Thornecroft gives a round-up of the arts and collectors' fairs in London this month

Pages XII, XIII

WORLD NEWS

Liberia rebels close on Doe

Liberia's beleaguered President Samuel Doe yesterday appealed for US and international help as anti-government rebels came within 35 miles of the capital, Monrovia.

The rebels appeared ready to let President Doe to leave the country. If he did, they said, they would co-operate in setting up an interim administration.

Meanwhile US Navy ships carrying 2,000 Marines were heading from the Mediterranean to join two British naval vessels already off Liberia to safeguard foreign nationals and help evacuate them.

Page 3

China arrests students
Three more student activists were arrested in Peking, where the authorities fear protests by pro-democracy campaigners as the anniversary of the Tiananmen Square massacre approaches. In London, human rights campaigners started a four-day vigil outside the Chinese Embassy.

Tax rebels in court
The first court action taken by an English local authority against non-payers of the community charge, or poll tax, ended in near farce yesterday when summonses were withdrawn on legal grounds.

Page 4

Sheffish alert updated
The Department of Health withdrew its warning not to eat lobsters, shrimps and prawns caught off north-east Britain, but the alert still applies to crabs, mussels, whelks, scallops and oysters.

World Cup alcohol ban
Alcohol will be banned on trains taking World Cup soccer fans from London to the English Channel ports between June 7 and 10. The ban will be enforced by British Transport Police.

Table cars crash
Two cable cars broke loose at Tbilisi, capital of the Soviet republic of Georgia, killing 3 people and injuring 45. They were flung on to the roof of a six-storey block of flats.

Seenger in high priest
Imar Farooq, 16, was installed as Kashmir's hereditary Muslim chief priest or mirwaiz in an emotional ceremony in Srinagar. His father, Mouli Mohammed Farooq, was shot and killed by unidentified attackers in May 21.

Joint tests doubt
Forensic tests which led to a court to convict the Maguire family of running an IRA bomb factory could have been misleading, a judicial inquiry heard. A scientist said tests in a cigarette filter and pipe tobacco had produced similar results to the explosive nitro-cellulose.

Cardin in Kazakhstan
Bernard Cardin, French entrepreneur and restaurateur, is to open a restaurant at Alma Ata, capital of the Soviet republic of Kazakhstan. He already has 32 garment factories in the Soviet Union.

England drops Gower
Former England cricket captain David Gower has been dropped from the team to play New Zealand in the first Test at Trent Bridge, Nottingham. Graham Gooch will be captain.

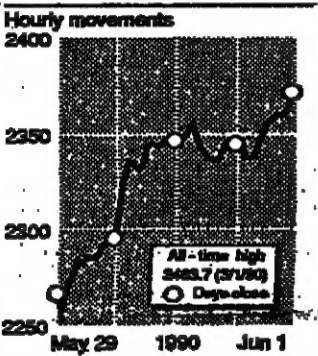
BUSINESS SUMMARY

Action taken on B&C bank
The Securities and Investments Board removed British & Commonwealth Merchant Bank from the list of banks where authorised firms can place client money. The effect of the change is to require firms to take such steps as are open to them to remove investment business client money from the bank and to place no further client money with it. Page 8

US STOCKS AND BONDS
soared after the release of a weak set of May employment statistics, on hopes that the US Federal Reserve may move to bolster economic growth through lower interest rates. Page 22; Markets begin to recover, Page 7; World stock markets, Pages 18 and 19

FT-SE 100 SHARE INDEX: A lively UK equities week ended with another sharp rise in share prices as market makers and institutions were drawn into the market. A strong open-

ing on Wall Street provided



The final close of the FT-SE 100 closed more than 26 points up at 2,371.4, making a 4.7 per cent gain over the week. London stocks, Page 18; Lex, Page 22

PIONEER of Japan is paying \$60m (£36m) to acquire a 10 per cent stake in Caroleo Pictures, Hollywood film company best known as producer of the Rambo series. Page 18

CAMPRAU, troubled property group whose US retailing interests filed for protection from creditors this year, has secured extra breathing space by gaining approval to defer interest payments on one class of debentures. Page 10

HORTEN, West German store group which BAT Industries of the UK hopes to sell, said 1989 results would again be hit by high restructuring costs, but earnings should rebound in 1991. Page 10

SPINK & SON, London fine-art dealer, has been put on the market. Page 4

GROBANK, The Post Office signed a contract with Alliance & Leicester Building Society for the sale of its banking subsidiary. Page 4

MERSEYSIDE's nine enterprise agencies launched an umbrella organisation, Mentor, to ease confusion among clients and sponsors. Page 5

LOWLAND SCOTTISH, first privatised company in the state-owned Scottish Bus Group, is to be bought by a combination of its management and employees. Page 4

HAETWELL, Oxford-based motor group, has come under the control of the Jameel organisation less than three months after claiming success in fighting off the £17.5m bid. Page 8

W Germans join boycott of UK beef

By David Thomas in London, David Goodhart in Bonn and Tim Dickinson in Brussels

EUROPEAN Community farm ministers are to hold an agency meeting in Brussels next Wednesday following yesterday's decision by West Germany to join the French boycott of British beef.

The Commission last night issued an ultimatum to the two countries saying it would start legal proceedings by 6pm on Monday unless the bans, imposed because of fears over disease in cattle, were revoked.

Mad cow disease, or bovine spongiform encephalopathy (BSE), has caused the deaths of about 13,000 British cows since May 1986, according to official figures.

Yesterday's developments reflect deepening dismay in Brussels at the speed with which events have moved out of control, as well as fears that the crisis could prompt trade retaliation by Britain.

A senior Commission official said last night: "We have heard noises that the British are re-examining the whole question of BSE in French cheese."

Mr Raymond MacSharry, the EC's Farm Commissioner, formally "regretted" the German action. He referred in a statement to the "danger" of copycat action by other member states.

Luxembourg last night denied that it has closed its borders to British beef, but said it was information received by the Commission earlier.

Sir Simon Gourlay, left, demanding ban on beef imports from Europe. John Gummer, asking for intervention

However, there were strong rumours in Brussels that Luxembourg would join the ban next week, and Italian government officials said Italy was likely to impose a ban on British beef early next week. Belgium was reported to have advised people not to eat British beef pending an urgent inquiry into whether the meat posed any threat.

The Commission hopes that a political solution can be reached at next week's Council of Ministers meeting. Legal action, under Article 90 of the Treaty of Rome (which guarantees free trade) could take several months.

The Council of Ministers' meeting will be preceded on Wednesday morning by a meeting of the EC's Scientific Veterinary Committee, which comprises experts from the member states, and whose review of the BSE scare is likely to form the basis of ministerial discussions.

The Health Ministry in Bonn, announcing the ban on British imports, blamed a lack of resources for checking the extra meat that would find its way on to the German market as a result of the French ban.

The British Embassy in Bonn accused the German Government of protectionism: "They are simply protecting their own market from an

influx of cut-price beef created by the French ban," an official said.

Britain sold 9,100 tonnes of beef worth £30m last year to West Germany, the third most important EC market for UK beef after France and the Republic of Ireland. The total value of UK beef exports last year was £307m.

West Germany imposed some trade restrictions in January when it began to accept only boneless British beef. This had only a marginal impact on its beef imports.

In Britain, where the Meat and Livestock Commission said the ban and the scare were costing the British meat industry about \$500,000 a day, Sir Simon Gourlay, president of the National Farmers' Union, demanded a ban on all beef and cattle imports from other European countries.

Mr John Gummer, Britain's Minister of Agriculture and Food, yesterday phoned Mr Raymond MacSharry, the EC Agriculture Commissioner, asking him to intercede with the Germans.

The French Agriculture Ministry said yesterday that it would not reconsider its ban at least until after a meeting of EC veterinary experts scheduled for Wednesday, when it will be followed immediately by the EC meeting.

Threat to internal market, Page 4

Rank launches £500m takeover bid for troubled Mecca Leisure

By David Churchill, Leisure Industries Correspondent

THE RANK Organisation launched its expected takeover bid for the troubled Mecca Leisure in a deal which values the company at £500m.

If successful, the takeover would create Britain's largest leisure company with annual sales of more than £1.5bn and with interests in virtually all areas of out-of-home leisure entertainment.

The all-paper share offer was rejected last night by the Mecca board. Mr Michael Guthrie, Mecca's chairman, said the Rank bid under-valued the company.

Mecca hopes the bid will be referred to the Monopolies and Mergers Commission because of the market dominance a merged company would have in the bingo and holiday camp markets. Rank, which owns Butlin's, is strongly represented in bingo, cinemas, UK holidays, restaurants, and leisure centres.

City analysts last night believed such a referral was unlikely given the fragmented

nature of UK leisure markets. But the Office of Fair Trading may seek assurances from Rank that it would sell some bingo clubs in areas where there was high concentration if the deal went ahead.

Although the Rank offer of 89.2p of new Rank shares for every ordinary Mecca share was below market expectations, Rank believes the price is fair given the high level of debt, estimated at £460m, that it would have to take on.

Mecca, acquired by its present management in a buy-out from Rank, has made the offer conditional on the Takeover Panel agreeing that Mecca's convertible preference shares are not being regarded as "equity share capital" under the Takeover Code. Otherwise, its offer for the preference shares would have to be lowered.

Rank's shares closed 15p down last night at 80p after falling further at one stage. Mecca's share price closed 3 1/2p up at 87 1/2p.

The final pilgrimage, Page 7; Lex, Page 22

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| STERLING | DOLLAR | STOCK INDICES |
|---------------------------|-------------------------------------|---|
| New York lunchtime: 1.681 | New York lunchtime: DM1.6985 | FT-SE 100: 2,371.4 (+26.3) |
| London: 1.681 (1.677) | FRF5.733 | FT Ordinary: 1,882.4 (+27.4) |
| 1p: 8255 (2.25) | SPF1.4375 | FT-A All-Share: 1,185.28 (+1.1%) |
| 1p: 6275 (3.61) | DM1.693 (1.699) | New York lunchtime: DJ Ind. Av. 2,892.23 (+15.57) |
| 1p: 4175 (2.4025) | FRF5.715 (5.73) | S&P Comp. 362.95 (+1.72) |
| 254.75 (256.0) | SPF1.4355 (1.4325) | Tokyo Nikkei: 32,891.12 (+239.68) |
| index 89.1 (89.0) | Y151.30 (152.60) | LONDON MONEY |
| | US LUNCHTIME | 3-month Treasury Bill: yield 7.325% |
| | RATES | 1-month Treasury Bill: yield 7.325% |
| | Fed Funds 8 1/4% | 3-month Interbank: yield 15 1/4% (15 1/2%) |
| | 3-month Treasury Bill: yield 7.325% | Life long gilt future: Sep 84 1/2 |
| | 103 1/2 | |
| | yield: 8.416% | |

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INTERNATIONAL NEWS

Financial Times reporters look at progress in Washington as the Bush-Gorbachev summit approaches the halfway point

Bush rushes to aid of defensive Gorbachev

By Robert Mauthner

PRESIDENT Mikhail Gorbachev can still pull a crowd, as the screaming and jostling girls during his walk about on Washington's 15th Street on Thursday testified. But the public adulation and media hype cannot hide the fact that the Soviet leader is not making the glittering impact he did when he took the US capital by storm in 1987.

Mr Gorbachev's domestic political troubles, epitomised by the election of his rival Boris Yeltsin to the presidency of the Russian republic, coupled with the manifest failure so far of his economic reform programme to bring about promised improvements, have taken their toll.

There can be little doubt about the sincerity of President George Bush's welcoming

statement that the US wants Mr Gorbachev and his perestroika policies to succeed. But the overall impression, as the summit approaches the halfway point, is that official America, with the president in the vanguard, is involved in a vast damage-limitation exercise.

The damage the US is trying to limit is that done to Mr Gorbachev's reputation and standing in his own country, and to a certain extent, abroad.

Those who are wont to criticise the US for its insensitivity in foreign policy, and its lack of understanding of other nations' problems, should be in Washington now. No opportunity is lost to praise Mr Gorbachev for his glasnost policies at home and for creating the kind of conditions which have led to the restoration of democracy in

much of Eastern Europe.

Mr Gorbachev cannot but be grateful for this demonstration of respect and loyalty. Yet what comes through in both his formal and informal statements is a plaintive defensiveness at the criticisms which have been levelled at him by his opponents at home and the world's media. Most of all, he is worried by the widespread judgment that the Soviet Union's status in the world has been fatally undermined by its weak and deficient economy and by the defection of its former East European allies.

Nothing was more indicative of the Soviet leader's state of mind than his performance at the lunch he gave at the Soviet embassy to a random group of prominent people from the world of politics, entertainment and literature, loosely

described by the distinctly un-American term of "intellectuals". In a long, rambling and disjointed speech to an audience composed of such evergreen figures as Dr Henry Kissinger, Gregory Peck, Jane Fonda and Dizzy Gillespie, the Soviet leader tried to explain his country's, and his own, shortcomings.

The infectious smile and the occasional flashes of wit were still there. But there was a great deal of earnest, not very convincing self-justification, too, to explain the lack of results of perestroika. "We are a huge nation speaking 120 languages; that means representing 120 'nationalities'." Or again, when comparing the Soviet Union to a random group of prominent people from the world of politics, entertainment and literature, loosely

described by the distinctly un-American term of "intellectuals". In a long, rambling and disjointed speech to an audience composed of such evergreen figures as Dr Henry Kissinger, Gregory Peck, Jane Fonda and Dizzy Gillespie, the Soviet leader tried to explain his country's, and his own, shortcomings.

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Chemical arms accord is a personal achievement for Bush

By Lionel Barber in Washington

THE US/Soviet chemical arms agreement signed yesterday will reduce sharply each side's stockpiles and could spur international efforts to reach a global ban on the weapons known as the "poor man's nuclear bomb".

The pact amounts to a recognition that the accelerating proliferation of these inexpensive but deadly weapons, particularly in the Middle East, represents a threat to peace which neither the US nor the Soviet Union can safely ignore.

For President George Bush, the accord also marks a personal achievement.

At the United Nations last September he proposed deep cuts in US/Soviet chemical stocks to give a lead to the rest

of the world which is discussing a chemical weapons ban at a 40-nation conference in Geneva.

This is the base for yesterday's agreement, whereby the US and Soviet Union will destroy initially all but about 5,000 tons of chemical weapons of their stockpiles. The US is believed to have around 25,000 tons; the Soviet Union close to 50,000.

Further cuts, taking US and Soviet stockpiles down to 500 tons, would take effect within eight years after a multilateral chemical weapons convention entered into force. This would depend on agreement being reached in Geneva.

The final 2 per cent of US and Soviet stockpiles would be

destroyed only after "all potential producers" signed such a multilateral convention.

Mr Bush cleared the way to an agreement last month when he told Mr Gorbachev the US was ready to halt production of chemical weapons at a mutually agreed date. He had come under pressure not only from Moscow but also from Congress.

The bilateral deal will include new methods of checking against cheating, an important issue because chemical weapons accords are very difficult to verify. The process is also very expensive. Some estimates suggest the US may have to pay up to \$3.5bn to render harmless its highly toxic stockpiles.

Agreements seek better cultural and commercial contacts

By Peter Riddell, US Editor, in Washington

THE HIGHLIGHT of last night's signing ceremony was agreement between the US and the Soviet Union to eliminate virtually all their chemical weapons and to cut long range nuclear arms by 30 per cent.

But Presidents Bush and Gorbachev also signed a variety of commercial and cultural agreements intended to increase contacts between the two countries.

The two leaders signed a treaty virtually eliminating chemical weapons and issued a statement on the main provisions of a treaty reducing US and Soviet arsenals of strategic nuclear weapons (START) and on the objectives for START 2 negotiations. A START treaty will be signed later this year, probably in Moscow.

Mr Martin Fitzwater, President Bush's spokesman, said the two leaders would also sign agreements on nuclear testing, a student exchange programme, and the peaceful uses of nuclear energy.

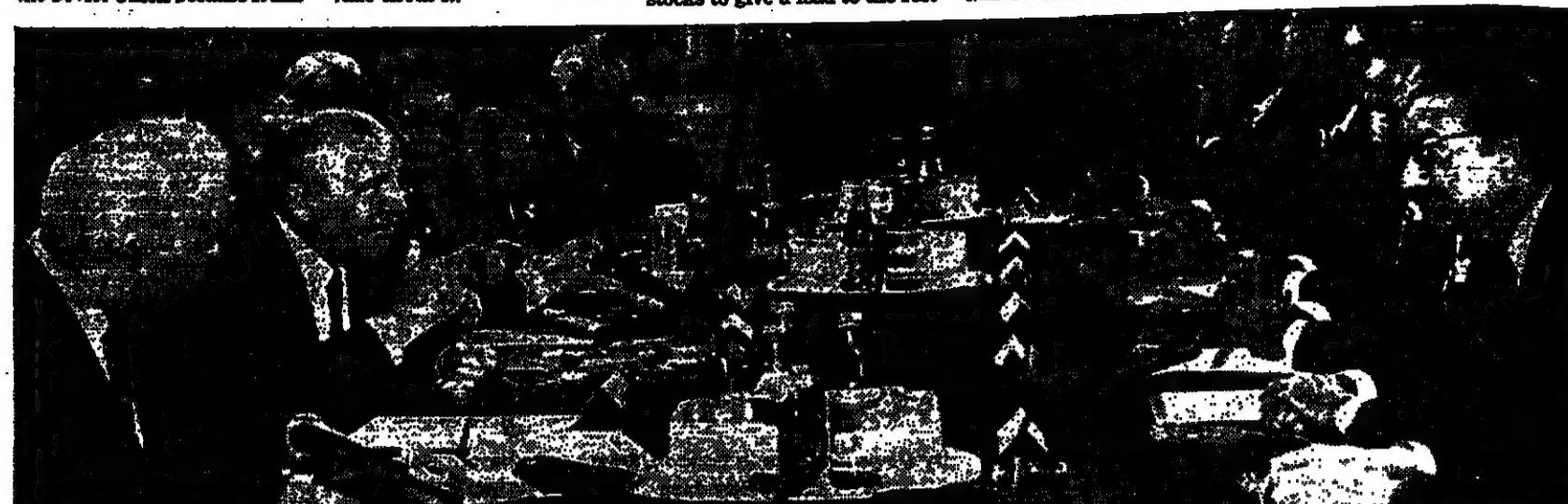
Mr James Baker, the US Secretary of State, and Mr Eduard Shevardnadze, the Soviet Foreign Minister, were signing agreements on maritime boundaries, ocean studies and civil aviation, and on increasing access to each country's sea and air ports in the hope of expanding contacts and trade.

Agreements have also been reached on cultural centres and customs co-operation. Joint statements have been prepared on the environment, nuclear energy co-operation, international thermonuclear

experimental reactors, non-proliferation of nuclear, chemical and missile weapons, fisheries in the Bering Sea and matters of economic and technical co-operation.

However, there was still last minute uncertainty yesterday about whether a long-term grain treaty would be signed increasing the minimum amount of US wheat, feed grains, soybeans and other commodities that the Soviet Union would buy each year. This would lead to an 11 per cent rise in Soviet purchases to 10m tonnes of grain each year, and there would be flexibility for additional purchases.

The Soviet side has been suggesting it will not sign this five-year grain treaty unless the US brings a bilateral trade



President Gorbachev and Soviet Foreign Minister Eduard Shevardnadze (left) meet congressmen, led by Senate majority leader George Mitchell (right) at the Soviet Embassy in Washington

treaty to the table. The US has held back on the trade deal because of concern over the continued Moscow sanctions

against Lithuania. Any lowering of US tariffs through the granting of most favoured nation trade status depends on

the passage of a Soviet law liberalising emigration. To break the logjam one possibility is that the trade treaty

might be signed, but President Bush would not send it to the Senate to be ratified unless the Lithuanian crisis has eased.

Congressional leaders have warned that such a treaty will not be approved in current circumstances.

Yeltsin defies Kremlin to meet Lithuanian leader

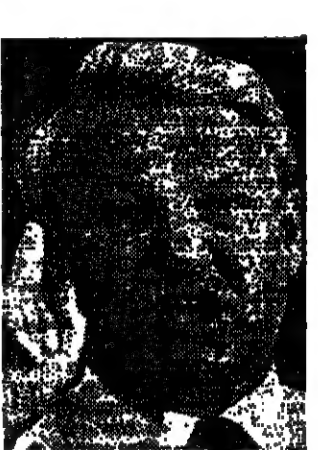
By Leyla Boulton in Moscow

MR BORIS YELTSIN, the new Russian president, held a "warm and friendly" meeting yesterday with Mr Vytautas Landsbergis, the Lithuanian leader, in another breach of Moscow's cordon sanitaire around Lithuania.

After flying back from his Moscow meeting, Mr Landsbergis told reporters in the Lithuanian capital, Vilnius: "That's the beginning of promising contacts with the Russian Federation, which too, seeks direct contacts with Lithuania. We have exchanged opinions concerning future co-operation."

The talks between the rebel president came as further economic dislocation hit the country, with big agricultural regions around Moscow deciding to cut off food supplies to the capital.

A meat and milk blockade by Kaliningrad regional council and similar moves in Kalinin and Vladimir regions have come in retaliation for Moscow city council's restriction of food sales to Muscovites to stem panic buying.



Yeltsin: "warm and friendly"

they can deal directly with each other.

A spokeswoman at the Lithuanian mission in Moscow said he had expressed support for Lithuania's independence struggle and was unhappy with the Kremlin's economic blockade which seeks to bring the Lithuanians to heel.

The main challenger to Soviet President Mikhail Gorbachev's authority, Mr Yeltsin has also spoken in the past of selling supplies directly to Lithuania. But although the Russian Federation produces 90 per cent of Soviet oil it is not yet clear whether Mr Yeltsin will seek to bypass the central government's embargo.

Lithuania has so far refused to repeal its March 11 re-assertion of independence despite a blockade which has brought the Lithuanian economy to its knees. In another sign of growing support for the beleaguered republic, workers from the Ukrainian city of Lvov sent 8.5 tonnes of petrol to Lithuania to help it distribute food supplies.

Man in the news, Page 6

The free lunch eats into Italian democracy

By John Wyles

THE FREE lunch is widely deployed around the world as a means of influencing politicians, but it needs an Italian imagination to think of offering one to the ordinary citizen as a reward for not exercising his democratic rights.

This is the quandary facing the citizens of the coastal resort of Ostia, near Rome, who will be allowed to tuck in to a buckles meal tomorrow as long as they prove they have not voted in three controversial referendums.

The costs will be met by an organisation believed to be fronting for those who would regret, and may even find costly, changes to laws on hunting and the use of pesticides. The hunting and farming lobbies will be victorious if more than half the electorate boycott the voting booths tomorrow and on Monday, because this would nullify the results of the referendums.

An Italian referendum is not allowed to put a clear question of principle. It merely offers the possibility of striking down existing legislation, more often than not creating the requirement for a new law if the *si* vote is in the majority. The questions on the ballot papers tend to run to brain-damaging complexity and, time, the first one on hunting runs to more than 800 words of numbing references to legal articles and sub clauses.

If it was passed, however, the Italian parliament could not evade the proof of a popular desire for a more restrictive approach to the killing of wildlife. Though many hunters are environmentally conscious countryfolk, this is by no means true of all of the 1.5m Italians, mostly in the poorest estimated 150m hectares in the direction of... well, not anything that moves, but too frequently larks and sparrows, falcons and buzzards, not to mention domestic cats and other prey whose numbers need no control.

They do so, moreover, as the only group guaranteed trespass rights by the Italian civil code. The second question in the referendum seeks to strip the hunter of this freedom.

According to the Italian Greens, the nation consumes pesticides at one of the highest rates in Europe and tomorrow's referendum seeks, in a way, to rescue the Minister of Health from the temptations of a free lunch at the expense of the chemical companies.

It offers the possibility of striking down the law which gives sole responsibility to the incumbent politician to set limits on the use of pesticides. The Greens would like to see the task passed to a semi-independent agency whose lunch costs would certainly be higher, but probably not more so than the dining out to be done in Ostia tomorrow.

Italian rail chief quits after political collision

By John Wyles in Rome

ITALY'S attempt to introduce professional management and market economics to the heavily loss-making state railways system appears to have crashed into the buffers with the surprise resignation of Mr Mario Schimberni, appointed only 18 months ago as special director of the Ferrovie dello Stato (FS).

Mr Schimberni's departure on Thursday evening, together with that of the FS director general, Mr Giovanni De Chiara, caused more than a little consternation and embarrassment among government ministers yesterday.

The FS has long been in the grip of the political parties and their reluctance to allow Mr Schimberni autonomy on investment policies, together with their evident distaste for his attempts to allocate contracts more transparently, all helped to contribute to his decision to resign.

Mr Schimberni, who became a national figure as managing director of Montedison, the chemicals company, from 1989 to 1993, has so far refrained from making any public allegations. His letter of resignation suggested that, having laid the basis for the recovery and

future development of the FS, he believed that he had completed his task.

In fact, it seems most likely that he decided that he could not win the political struggle to rebuild the FS as a joint stock company with the government as majority owner. Mr Carlo Bernini, the Minister of Transport, has constantly resisted this proposal, largely because, it is thought, his Christian Democrat party was not prepared to concede the management of operating losses to a private company.

Mr Schimberni's resignation letter specifically commended the proposal as

the way forward.

When he was appointed, the FS was virtually on its knees, with most of the board and senior management under investigation for corruption. He put through a far-reaching management reorganisation, secured investment decisions to be based on profitability rather than political appeal, and secured special legislation for the early retirement of 30,000 railway workers. Nevertheless, government transfers to cover operating losses rose last year from L.5,313bn to L.6,557bn (€4.6bn) despite a 13 per cent increase in revenues.

development as a vehicle for stimulating cross-border technological collaboration.

Ministers agreed to encourage broader participation by encouraging investment decisions to be based on profitability rather than political appeal, and secured special legislation for the early retirement of 30,000 railway workers. Nevertheless, government transfers to cover operating losses rose last year from L.5,313bn to L.6,557bn (€4.6bn) despite a 13 per cent increase in revenues.

Eureka to focus more on environmental projects

By Lucy Kellaway in Brussels

THE EUREKA programme for pan-European co-operation on research and development yesterday substantially increased its commitment to developing new environmental protection technologies by adopting 37 new projects carrying a total investment of Ecu253m (€184.7m), John Wyles writes.

These were among 91 additional projects worth Ecu344m approved by a ministerial

meeting near Rome yesterday of the 19 participating governments. This brings the total number of projects launched since Eureka's creation, five years ago to 328, with a total budget of Ecu7.5bn. Broadly, governments are providing around one third of this investment and the private sector two thirds.

Mr Douglas Hogg, Britain's Industry Minister, said the new

emphasis on environmental projects - yesterday's approval raises their total from 23 to 56 - reflected both rising political concern with environmental issues and the fact that "companies now see a market for products which improve the quality of the environment".

Yesterday's meeting was notable for the high level of satisfaction with Eureka's

development as a vehicle for stimulating cross-border technological collaboration.

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EC concerned at Danish bridge contract

By Lucy Kellaway in Brussels

THE Danish Government has declined to allow Bouygues of France and Cogefra of Italy to compete for a contract to build the world's biggest suspension bridge, causing concern within the European Commission that a serious breach of EC public procurement rules may have taken place.

Mr Martin Bangemann, the internal market Commissioner, has written to the Danish Government asking for an explanation of why two leading construction consortia have been left off the list of successful tenderers.

This is the second time the Commission has crossed

swords with Denmark over its DK19bn (€1.76bn) project to build a link between Sjælland and the Jutland peninsula.

Last year the Commission took Denmark to court over the contract for the first bridge, following a complaint from Bouygues that Denmark had broken the rules by specifying minimum local content of parts and labour.

Denmark later admitted to wrongdoing, but the Commission is still examining the case. Officials point out that it may be more difficult to establish whether a breach of the rules has taken place for the

second bridge. Under the rules, public buyers have the right to select the companies they wish to tender, although they must be able to establish that they have done so on a non-discriminatory basis.

Denmark is expected to reply shortly, and if the Commission is not satisfied it will have the option of taking Denmark to court a second time.

Mr Bangemann's letter is certain to sour relations with Copenhagen, which is already smarting over the Commission's stubborn pursuit of the first case.

Storebaek, the Danish body which will award the contract,

said it had every right to choose the consortia to tender, and that it had done so within EC rules.

The Commission's interference at such an early stage in the bidding process shows its determination to make sure that all public purchases in the Community comply with the rules.

Until recently public procurement rules have been among the most widely disobeyed of any EC legislation. The Commission has recently strengthened and broadened the rules, and is working on ways to improve enforcement.

Berlin warned on import duties

By David Buchan in Brussels

EAST Germany risks complicating its entry into the EC if it puts protective import duties on too many EC goods for too long a transition period before East Germany had to bear the full weight of common agricultural policy rules.

Asked about Hungary's demands to be compensated for the fall it expects in its farm exports to East Germany, Mr de Maizière stressed that he had agreed with Bonn on the need to prevent any abrupt end to trade with former Comecon partners.

The most practical result of Mr de Maizière's visit was the Belgian Government's agreement that East German representation in Brussels could be doubled from six to 12 people.

East Germany said yesterday it would end all border controls around West Berlin.

from July 1, effectively reuniting the city nearly three decades after it was split by the Berlin Wall, Reuter reports.

The cabinet took the decision at its meeting on Wednesday that from July 1, 1990, personal controls at the border between East Germany and West Berlin will be dropped, government spokeswoman Angela Merkel said.

On Wednesday the Government announced that by July 2 it would reopen all roads severed by the Berlin Wall, but to the West.

The ruling will apply to foreigners as well as Germans crossing the 100-mile border around the enclave city of West Berlin. It will not apply to the border between East and West Germany.

decisions here with the 17-person Commission, the East German leader said he had argued for "a pretty lengthy" transition period before East Germany had to bear the full weight of common agricultural policy rules.

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STET
Società Finanziaria Telefonica S.p.A.

Registered Office in Turin - Head Office in Rome
Share capital Lit. 3.680.000.000.000 fully paid

Notice Convening the Extraordinary and Ordinary General Meeting

The Shareholders of STET - Società Finanziaria Telefonica S.p.A. are hereby notified that the Extraordinary and Ordinary General Meeting will be held in the Conference Hall at 34 Via Bertola, Turin, at 10.00 a.m. on the 20th of June, 1990 and, if necessary, a second meeting will be held on the 28th of June, 1990, at the same time and place, to discuss and resolve the following:

Agenda

Extraordinary part

- 1) Proposal of split of ordinary and savings shares by replacement of each share, of Lit. 2.000 par value, with two shares of the same category of Lit. 1.000 par value.
- 2) Proposal of share capital increase from Lit. 3.680 billion to Lit. 4.680 billion, an increase of Lit. 920 billion by free issue of 630,620,000 new ordinary shares and 289,380,000 new savings shares; all new shares, of Lit. 1.000 par value, will rank for dividend 1/1/1989; consequent amendment of article 5 of the Company's By-laws; award of relative powers.

Ordinary part

- 1) Board of Directors' Report and Statutory Auditors' Report; Financial Statements for the year ended 31st December 1989; relevant resolutions.
- 2) Auditors' remuneration for the financial year 1989.
- 3) Appointment of independent auditors for the certification of the Company's Financial Statements for 1991, 1992 and 1993.
- 4) Appointment of independent auditors for the certification of the Group's Consolidated Financial Statements for 1991, 1992 and 1993.
- 5) Resolutions according to art. 2364, points 2 and 3 of the Italian civil code.

The Shareholders shall have the right to attend the Meeting provided that, at least five days before the established date for the Meeting, they have deposited their ordinary shares with the Company's Treasury Department at 28 Via Bertola, Turin, or 41 Corso d'Italia, Rome, or with any other duly authorized banks, as well as through Monie Titoli S.p.A., for the shares managed by it.

Abroad, the ordinary share certificates may be deposited with foreign branches of Italian authorized banks.

for the Board of Directors
Michele Principe
Chairman

The Company's Financial Statements, the relevant enclosures, the reports of the Board of Directors, Statutory Auditors and Independent Auditors, the Group's Consolidated Financial Statements and the relevant Independent Auditor's Report will be available to the Shareholders at the Offices in Turin and Rome from the morning of the 14th of June.

John Wyles

INTERNATIONAL NEWS

South Africa to repeal laws on public amenity segregation

By Michael Holman in Johannesburg

THE South African government yesterday committed itself to repealing racial discrimination in public amenities from mid-October, fulfilling one of President F.W. de Klerk's reform pledges.

Legislation tabled in Parliament in Cape Town by Mr. Hendrik Kriel, Minister of Provincial Affairs and Planning, sets out the repeal of the Reservation of Separate Amenities Act of 1953, as well as discriminatory provisions in other acts affecting services such as transport. It is expected to take effect on October 15.

The move, promised on several occasions by Mr. de Klerk, marks a significant step in the impact in many South African towns and cities, where segregation in restaurants, cinemas, parks, and buses has already been lifted.

Last September, for example, the Johannesburg city council voted to desegregate buses, swimming pools and recreation areas, eliminating what has been termed "petty apartheid" from the country's largest city.

But yesterday's move by government is none the less

important. Aggrieved black South Africans will now have the law on their side if and when they decide to challenge racist practices in amenities open to the public, whether operated by the Government, town councils or individuals.

The development is certain to cause resentment in many of the smaller, conservative centres, particularly in Northern Transvaal and the Orange Free State, where far-right parties have their strongholds.

The Conservative Party, which won 39 seats and 31 per cent of the white vote in last September's parliamentary elections, will oppose the bill tabled yesterday.

But the De Klerk Government has a comfortable majority in the white parliament, and will get the backing of the Indian and Coloured (mixed race) houses.

Yesterday's move is the second important anti-discrimination measure taken by the Government recently. Last month it effectively opened up hospitals to all races.

But three main areas of apartheid legislation remain - laws governing residential seg-

regation, ownership of land, and race classification.

In April, when Mr. de Klerk opened the current sitting of Parliament, he said proposals to replace the Group Areas Act, which governs residential segregation, would not be introduced before next year at the earliest.

Nor was there likely to be early action on the Land Acts, which legislate ownership of land, or on race classification. These and other issues are not expected to be tackled until the Government meets the African National Congress (ANC) and other representatives of black opinion at constitutional talks.

Chief Mangosuthu Buthe, leader of the Zulu-backed Inkatha movement, yesterday lost one of his closest advisers when Mr. Oscar Dhlomo, the organisation's general secretary, unexpectedly resigned.

The departure of Mr. Dhlomo, who said he wished to make way for others, comes amid continuing clashes between ANC supporters and Inkatha in Natal. Chief Buthe's stronghold. More than 400 people have died in the fighting this year alone.

Liberian leader asks US to help as rebels close in

ANTI-GOVERNMENT rebels advanced to within 35 miles of the Liberian capital, Monrovia, yesterday, as a besieged President Samuel Doe announced that he would not stand for re-election in 1991, agencies report from Monrovia.

The rebel advance, on two fronts, forced thousands to flee the capital and prompted the Mr. Doe to call on the US and other nations to help and the six-month-old rebellion.

The US sent 2,000 marines on four ships of the US Navy's Sixth Fleet from the Mediterranean to Liberia. They are to

safeguard the lives and property of Americans and other foreign nationals and, if necessary, help move them out. Military transport aircraft are aboard the ships and others are on standby in Dakar, Senegal and at Ascension Island.

US embassy officials said about 2,000 US citizens, including scores of missionaries and many people of Liberian origin, remain in the country.

The West African nation is the base for all diplomatic messages to and from US missions in Africa. A few miles from Monrovia is a huge Voice of

America transmitter. Liberia also stations a powerful Omega marine transmitter responsible for guiding all US shipping in the Atlantic Ocean.

France announced yesterday that it had reduced the staff at its embassy in Liberia and had advised the evacuation of French women and children.

Mr. Doe told a news conference in Monrovia that initiatives were under way with former US President Jimmy Carter and the United Nations to restore peace and help organise elections. But he virtually ruled out any hope that

Mr. Charles Taylor, the rebel leader, could be a candidate for the elections, saying he faces criminal charges in Liberia.

The repeated refusal of rebels to accept any compromise suggested that his offer not to stand again had little chance of ending the five-month-old war.

French officials indicated that the situation in Gabon, where anti-government riots began last week, was now calmer and that some of the troops sent last week to protect French citizens would soon be returning to France.



India to liberalise its policies on investment

By K.K. Sharma in New Delhi

INDIA is to liberalise its industrial and foreign investment policies, freeing at least 65 per cent of investment decisions by businesses, both foreign and Indian, from the need for government approval.

The liberalisation was announced yesterday by Mr. Ajit Singh, Minister of Industry.

Companies will now have a virtually free hand in decisions on the choice of technology and foreign partners as well as on investment and production limits.

The need for licences has been dropped for all industrial ventures involving up to Rs25m (\$5m) investment in fixed assets in urban areas and up to Rs750m in "backward" areas. Proposals for ventures involving up to 40 per cent of foreign equity will no longer need government approval.

Previously all proposals for foreign investment required detailed scrutiny.

Mr. Ajit Singh said this was meant to be a signal that India welcomed foreign investment.

The liberalisation is designed to reorient industrial growth to create employment opportunities and stimulate production for export.

However, the Government is preparing what Mr. Ajit Singh called a "negative list" of industries where approval will still be required. The list is to be issued soon and is expected to include industries where the Government feels no further production capacity is needed, for example, cars.

Companies governed by the Monopolies and Restrictive Trade Practices Act as well as the Foreign Exchange Regulation Act will continue to need approval for their investments. Relaxation of these requirements is, however, also being studied as "changes in industrial policy are a continuing process", Mr. Ajit Singh said.

The top administrator of strife-torn Punjab state, Mr. Nirpal Kumar Mukarji, resigned yesterday after less than six months in office attempting to control the Sikh insurgency, AP reports.

Japan current account surplus is down 70%

By Robert Thompson in Tokyo

JAPAN'S current account surplus for April fell 69.6 per cent from a year earlier to \$2bn (\$1.8bn), fuelling an intense debate within the Government over the dangers of allowing the surplus to drop too far.

The fall accompanied a continuing decline in the trade surplus, with exports at \$11.1bn, down 7.1 per cent from the same month last year, and imports up 16.6 per cent to \$17.1bn, according to figures released by the Ministry of Finance.

The figures showed an overall balance of payments deficit of \$19.4bn, compared with a deficit of \$3.6bn for the same month last year, while Japanese direct investment abroad remained high at \$5.3bn, though down on March. Japanese purchases of foreign securities were sluggish, with net sales of stocks at \$52m and net purchases of bonds at \$22m.

Yesterday's fall in the current account surplus was the biggest year-on-year decline since June 1979 and pressure is likely to grow within the Gov-

ernment to stabilise the surplus. It is argued that this should be done partly by enabling Japan to fund the rebuilding of eastern Europe.

In the fiscal year to the end of March, the surplus was \$33.5bn, a fall of \$2.5bn from fiscal 1988.

Mr. Ryutaro Hashimoto, the Japanese Finance Minister, said yesterday that the time had come for Japan to decide on an appropriate level for the surplus.

Mr. Hideyuki Aizawa, director-general of Japan's Economic Planning Agency, told an OECD meeting in Paris this week: "The current account surplus is down to 2 per cent of GNP, and I don't think that it is wise to let it fall further."

According to Mr. Kenneth Courtois, chief economist at DB Capital Markets Asia, fluctuations in currency and oil prices accounted for about 62 per cent of the change in the trade account, while unusually large aircraft orders and slower car exports also influenced the figures.

China to 'punish' Tokyo bank

CHINA'S central bank has ordered financial institutions to stop dealing with the Bank of Tokyo to punish it for opening an office in Taipei, Reuters reports from Peking.

The People's Bank of China was said to have acted to frighten other Japanese banks away from Taiwan and also to punish Japanese banks for not providing loans over the past year.

Japan and Western governments suspended new official credits last June to protest at a military crackdown on student-led protest and most Japanese commercial banks have followed suit.

The Bank of Tokyo's head office had no immediate comment.

"Bank of Tokyo is different from other Japanese banks, because it specialises in foreign business and has been so active in doing loans for China," an Asian diplomat said.

"The Chinese government itself is split on the issue," the diplomat said. "Those involved with business do not oppose it because Taiwan's economy is increasingly being involved with China's. What harm do such branches do to China?"

Last week the People's Bank of China was quoted in a Peking newspaper as criticising the bank over the Taipei office and saying it would bear responsibility for the consequences.

Earlier yesterday the Bank of Tokyo said it planned to go ahead with its Taipei plans despite the criticism.

The office is the first new Japanese bank presence in Taiwan for 30 years. Last month, Taiwan agreed to let the Bank of Tokyo open an office there. Japanese Foreign Ministry approval of the bank's move marked a change in its long-standing tacit opposition to a presence on the island.



President Suharto of Indonesia, left, Zimbabwe's President Robert Mugabe and President Carlos Menem of Argentina at the inaugural summit yesterday of the Group of 15 developing nations. The group is hoping to persuade rich nations to consider writing off some Third World debt. Reuters reports from Kuala Lumpur.

The leaders of India, Senegal, Venezuela, Yugoslavia and hosts Malaysia are also attending the three-day meeting, as well as senior ministers from Algeria, Brazil, Egypt, Jamaica, Mexico, Nigeria and Peru.

The Malaysian Prime Minister, Dr. Mahathir Mohamad, said the new group, which includes

governments at both ends of the political spectrum, should abandon its search for a common ideology and work instead to strengthen ties by trading with one another. By relying on the markets of rich nations, poorer countries were handing pressure groups and non-governmental organisations of the West a stick to beat them with, he said.

Dr. Mahathir said creditors must be prepared to accept the risks of lending. "Bankruptcy can die, nations cannot. We cannot make debt-slaves of nations, not in this so-called enlightened age," he said. But he stressed that G-15 did not want a row with developed nations.

Fears for leading Chinese dissident

A LEADING Chinese dissident who disappeared on Thursday shortly before he planned to make a public appeal for the release of political prisoners, has been detained by police, a close friend said yesterday, Reuters reports from Peking.

Hou Dejian, a singer who left Taiwan for China in 1983, and two other dissidents, Zhou Duo and Gao Xun, abruptly cancelled a news conference they were due to hold on Thursday and went into hiding.

The friend, who asked not to be named, said he knew Hou had been detained but was not sure about the other two men. A public security ministry official, asked about Hou, said: "We have nothing to provide for you."

The three dissidents began a

hunger strike in Tiananmen Square on June 2 last year, a day before tanks and troops crashed through the capital to put down seven weeks of pro-democracy demonstrations.

Hou helped negotiate with a senior army officer to let students occupying the square leave in safety. He fled and took refuge in the Australian embassy for 10 weeks before emerging to become virtually the only public critic of the Communist authorities.

Meanwhile, Tiananmen Square will be closed to the public on Monday's anniversary of the military crackdown, an official Chinese newspaper reported yesterday.

Instead of the tanks and armoured personnel carriers that thundered into the heart

of Peking on June 4 last year, the square will be filled on Monday with 2,000 cars and their drivers practising road safety for September's Asian Games.

"Tiananmen Square will have abundant and colourful activities in the coming days," the Peking Youth News said. On Sunday, one year after the two-day military operation began, the square will be used for activities to commemorate the 150th anniversary of China's Opium Wars, the daily reported.

Peking residents who had planned in an unorganised way to walk to the square in memory of the many killed last year said the authorities were determined to prevent any anti-government protests.

Quebec solution will calm markets, says minister

By Andrew Marshall, Economics Staff

CANADIAN interest rates could fall if there is a successful solution to the country's constitutional problems, a senior minister said yesterday.

Mr. Brian Mulroney, the Canadian Prime Minister, is holding an emergency meeting tomorrow aimed at resolving a constitutional crisis over Francophone Quebec's role within the nation.

Mr. John McDermid, Minister for Privatisation, told the Canada-UK Chamber of Commerce in London that he saw "some steadying in the marketplace" if the provinces reach an agreement. "There is potential for interest rates to drop" if the

proposed constitutional amendment is adopted, he said.

The disagreement surrounds the so-called Meech Lake agreement, which would bring Quebec within the constitutional fold but include certain guarantees about the province's autonomy. The constitutional amendment will expire if not ratified by June 23.

The row has damaged Mr. Mulroney, already lagging in the opinion polls. It has also hit Canadian securities and the Canadian dollar.

However, Mr. McDermid warned that the Canadian economy was still struggling with inflationary pressures.

NEWS IN BRIEF

Guerrillas suspend 30-year Guatemalan campaign

GUATEMALAN guerrillas said yesterday they were suspending botage and would not interfere with elections planned for November. Reuters reports from San Lorenzo del Escorial, Spain. Guerrilla commander Cesar Ben made the announcement after five days of talks with Guatemalan politicians at this onastery town near Madrid, but said it did not mean a total

More than 100,000 people have been killed in 30 years of civil war, the longest armed conflict in Central America. A government-backed National Reconciliation Commission convened here for the first time with the leftist Guatemalan National Revolutionary Unit.

A communiqué issued after their talks said a constituent assembly would be set up next year to study constitutional reforms. It said participants agreed on a need to find a way for the guerrillas to take part in the assembly. Archbishop Rodolfo Quezada, who heads the commission, said it was the first time in three decades that the guerrillas had talked with politicians. "It is one more step on the difficult road towards dialogue for peace," he said.

VC and Philips plan VCR venture

Japanese electronics group JVC is setting up a 50-50 joint venture with Philips of the Netherlands to make video cassette recorders Malaysia, writes Ian Rodger in Tokyo. The venture will take over and expand an existing JVC plant at Shah Alam in Selangor state that now makes 300,000 VCRs a year. About \$30m is likely to be invested and output will rise to 2m units per year. Production begins early next year. JVC, the world's second largest producer of VCRs after Matsushita, will continue managing the plant while both parent companies will supply core technologies and know-how. JVC said a venture would achieve economies of scale at a time when sales in the US, the main market for the plant's output, were

Venezuelans in fuel price protest

At least 23 people, including seven policemen, were injured in Venezuela on Thursday in a second day of student protests against plans to raise petrol prices, agencies report from Caracas. Riots took place in Caracas and the oil centre of Maracaibo. The government plans to raise prices by about 38 per cent, to 30 cents per gallon at the pump, as part of an accord with the International Monetary Fund.

Although that's still one of the lowest prices in the world, Venezuelans are used to cheap petrol. The country earns about 90 per cent of its income from oil exports. Price increases last year provoked three days of nationwide strike and looting in which nearly 300 people were killed.

East Germany to shut nuclear plant

East Germany is to shut its main nuclear power plant which ports fear could cause a Chernobyl-style disaster, Reuters reports from East Berlin. Mr. Karl-Hermann Steinberg, Environmental Minister, said an investigation into the Greifswald plant by experts from both East and West Germany had revealed considerable safety problems.

Earthquake shakes Tokyo region

An earthquake estimated at 6 on the Richter scale shook the Kyo region yesterday. There were no immediate reports of injuries or damage, AP reports from Tokyo. The tremor, at 10.22am local time was centred 30 miles underground in the Pacific Ocean about 29 miles east of Tokyo.

BARCLAYS BANK PLC

With effect from the close of business on 1st June 1990 the interest rate applicable to overdrafts not previously agreed in advance on the Interest and Instant options of The Barclays Bank Account will be increased from:

2.25 per month (27% per annum)

to

2.625 per month (31.5% per annum).



BARCLAYS

Barclays Bank PLC, Registered Office: 54 Lombard Street, London EC3P 3AH.

BARCLAYS BANK PLC

With effect from the close of business on 1st June 1990 the interest rate applicable to overdrafts not previously agreed in advance on the Flexible option of The Barclays Bank Account will be increased from:

15% over the Bank's base rate,

currently 15%, (30% per annum)

to

2.625 per month (31.5% per annum).



BARCLAYS

Barclays Bank PLC, Registered Office: 54 Lombard Street, London EC3P 3AH.

UK NEWS

Fine art dealer Spink & Son put on market

By Antony Thorncroft

SPINK & SON, the St James's fine art dealer, has been put on the market by Andrew Weir, the shipping and marine underwriting company which acquired it in 1978. S.G. Warburg, the merchant bank, has been appointed to find a suitable purchaser and to arrange a deal.

Spink's was founded more than 300 years ago and is the largest general art and antiques dealer in the UK. It was traditionally associated with coins and medals, and holds the Royal Warrant in this area, but about 90 per cent of its £40m turnover in 1989 came from oriental works of art, watercolours, and silver. It contributed £3m to Andrew Weir's profits last year.

The high reputation of the company has persuaded Andrew Weir to hope for bids of about £50m. It will welcome approaches from the London antiques trade but also from overseas corporations and individuals. However, Andrew Weir says it will not necessarily

sell to the highest bidder because the company is a family-owned business and considers the long term interests of the staff as important.

Andrew Weir is disposing of the company because it does not fit comfortably into its activities, which include hotels and travel agencies. Any new owner would need to retain the expertise of the staff.

Spink's has enjoyed the recent boom in the London art market but there are now signs that this is slowing down. However, its success in building up clients overseas, and particularly in Japan, has enabled it to prosper in increasingly difficult times.

It still has the task of minting medals and decorations for the Royal Family to distribute but its main minting contracts, predominantly with Middle Eastern countries, have declined to about 8 per cent of its turnover. Spink's is located on a prime corner site in King Street with a lease of less than 30 years.

Peter Walker to join board of British Gas

By Alison Smith and Steven Butler

MR Peter Walker, the former Cabinet minister, is to become a non-executive director of British Gas, privatised while he was Secretary for Energy during the 1983-87 parliament.

Mr Walker, who stood down as Welsh Secretary just over a month ago, saw through both the privatisation legislation and the subsequent flotation of the company in 1986.

His long business career has matched his political longevity and when he announced his plans to leave the Government it was with the expressed intention of spending some of his extra time in business.

However, his move is set to revive the arguments about former ministers accepting company appointments in areas where they have taken ministerial decisions.

The Cabinet Office confirmed yesterday that there were no formal procedures for a former minister who wished to take up business appointments, but said that he or she was expected to bear in mind the need to avoid any conflict of interests.

British Gas did not appear to believe that Mr Walker's

appointment raised any questions of propriety, saying that Mr Walker had been invited to join the board because of his knowledge of government circles and his City connections.

Mr Robert Evans, British Gas chairman, said: "His wide background and experience as a businessman and his renewable knowledge and understanding of the international oil and gas markets will add considerable strength and expertise over a whole range of business issues."

Mr Walker is not the only minister to have taken such a step recently. Last month, the National Freight Corporation announced the appointment as a non-executive director of Sir Norman Fowler, who resigned from the Cabinet in January. The NFC was privatised when Sir Norman was Minister of Transport in the 1979-83 Tory government.

Mr Norman Tebbit, who was responsible for privatising British Telecom during his time as Secretary for Trade and Industry, in 1983-85, became a BT non-executive director after resigning in 1987.

Post Office finally signs deal for sale of Girobank

By David Barchard

ONE of the slowest deals in British banking history was clinched yesterday when the Post Office signed a contract with Alliance & Leicester Building Society for the sale of Girobank, its banking subsidiary.

Completion of the sale is expected about the end of this month. Girobank will then become a subsidiary of Alliance & Leicester, opening the way for the society to offer Girobank cheque book current accounts to its 2m customers.

Alliance & Leicester, the fourth largest UK building society with assets of £18.5bn, emerged as the Government's preferred purchaser for Girobank in April last year, 10 months after the bank had originally been placed on the market.

The official purchase price is £100m, though the final figure which Alliance & Leicester will pay will be about £110m after adjustments for retained earnings and long term capital borrowed by Girobank from the Post Office.

The deal will bring Alliance & Leicester about 2.3m new customers as well as Girobank's sophisticated processing operations at Booter.

Possible bidders among foreign and UK banks were apparently deterred by Girobank's down market image and the highly unionised labour force at its headquarters in Booter.

The main rival bidder, Co-operative Bank, was turned down by the Government.

A change in the law was necessary to allow Girobank to be bought by Alliance & Leicester, and the bank's leasing activities, which cannot be handled by a building society, were sold to Norwich Union for £240m earlier this year.

Mr Gerry Grimstone, director of Schroders, the merchant bank which handled the sale for the Post Office, said the Girobank sale was the longest-running deal for his bank.

"The problem mainly consisted in turning relationships not subject to contract, between Girobank and the Post Office, into legal form," he said.

Mr Scott Durward, chief executive of Alliance & Leicester, said yesterday that ways of linking up Girobank and its building society were still being considered. "Today is the first day we have been able to sit around the table and discuss the whole question of integration," he said.

Mr Durward said that a possible change of name for Girobank would be among the topics under discussion.

Brussels faces tough task ending trade barriers and border controls Beef row poses threat to internal market plans

By Tim Dickinson in Brussels

THE impact on the British meat industry is one thing. The implications for the European Community's single market programme are possibly more serious still.

West Germany's decision yesterday, followed rapidly by Luxembourg, to join France in banning British beef, underlines the problem which Brussels faces in trying to abolish border controls and remove remaining barriers to trade within the European Community.

The actions by France, West Germany and Luxembourg - to be joined by others in due course if all last night's rumours are confirmed - put a question mark over the philosophy of mutual trust and recognition on which the single market is being built.

It can only make more difficult the already sensitive negotiations under way to harmonise legislation in the area of plant and animal health.

Food has always been an issue which the experts thought would test member states' 1992 commitment to the full because of the consumer and political sensitivities at stake.

The Treaty of Rome, the EC's founding charter and basic legal text, provides important caveats to the key Article 30, which states that "quantitative restrictions on imports and all measures having equivalent effect shall be prohibited between member states."

Article 36 says these basic free trade provisions shall not preclude prohibitions or restrictions on specific grounds, including public morality, public policy, public security and the protection of health and life of humans, animals or plants.

That phrase has been used on numerous occasions to justify national barriers to free trade, not least in the late 1970s when, ironically, it was the British Ministry of Agriculture which was persuaded to ban French turkeys on the grounds that they were afflicted with so called "Newcastle disease".

The French argument this week for its "temporary" ban on British beef is the need to seek further reassurance about the effects of BSE, or mad cow disease. No mention, though, has been made in any formal



Raymond MacSharry: necessary measures being taken

French submissions of Article 36. But this may be cited if Brussels goes ahead with its threat last night to start legal proceedings against France in the European Court.

Brussels may have to rely for the time being on agricultural ministers - expected to meet next Wednesday after a special meeting of an EC scientific veterinary committee that morning - to uphold the principle of free trade.

This assumes that the vets do not go back on their previous statement, repeated on Thursday by Mr Raymond MacSharry, the EC Farm Commissioner, that the EC is taking all the necessary measures by banning the export of live animals over six months - a decision of the EC Council of Ministers earlier this year.

Britain is the country apparently most reluctant to give up border checks.

Ban needed to reassure consumers say French

By Bridget Bloom in Paris

FRANCE banned the import of British beef because it felt the measures the UK had taken to control the spread of the "cow madness" disease, and thus to safeguard public health, lacked credibility, according to senior French officials.

French consumers needed "urgent reassurance" that beef was safe, they would stay until France was absolutely sure it was safe to lift it.

Neither Mr Henri Nallet, the Agriculture Minister, nor his officials, were prepared to predict whether what extra measures of control might be demanded by France.

However, a senior official close to Mr Nallet hinted that France might suggest an EC financed programme of aid which could involve the slaughter of animals, such as calves born of BSE-infected mothers, which could be susceptible to the disease.

Mr John Gummer, the British Agriculture Minister, has repudiated the ban as totally unjustified.

French officials - citing pressure of public opinion as expressed in the French media in a markedly less strident way than in Britain - insist that consumer reassurance was the top priority in imposing the ban.

However, observers in Paris note that Mr Nallet has come under unprecedented fire from farmer and producer organisations over the past few months on issues ranging from declining beef and lamb prices to his failure to secure a favourable settlement for France as UK farmers received in the recent fixing of EC farm-gate prices.

It is suggested that Mr Nallet imposed the ban primarily to re-establish some popularity with his domestic constituency.

Only this week Mr Nallet was under attack from demonstrating sheep farmers and from young farmers at their annual congress.

In London yesterday, a spokesman at the Ministry of Agriculture said that while it remained possible that France would seek a face-saving way out of its "precipitous decision," Britain did not see the need for further action at this stage.

The ritual reading of the farming bans

David Richardson, East Anglian farmer and FT columnist

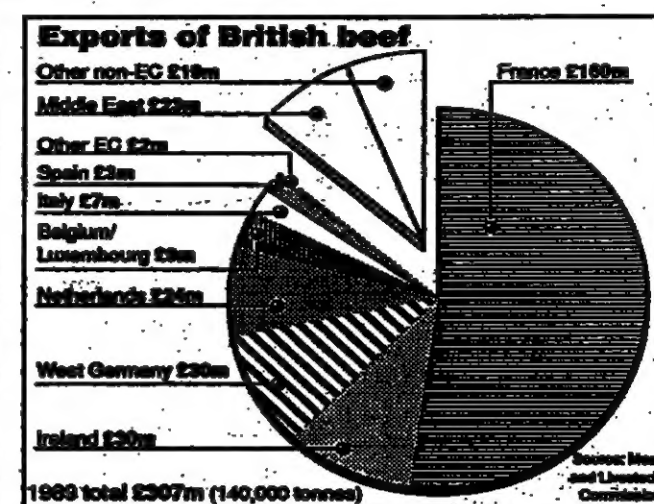
IMPORT bans on farm livestock and meat on animal health grounds within the EC are by no means a new idea.

In the past, Britain has refused to allow in animal products from member countries where outbreaks of foot and mouth disease or swine fever have occurred.

Some British farmers feel that science has been thrown out of the window where BSE is concerned. They argue that a scare over a sick cat whose illness has not been positively associated with the disease has blown up the issue into an international panic over human health.

Past experience of the French, and to a lesser extent the Germans, leads many in the British farming community to conclude that political expediency is the first consideration and health the second.

Markets for beef-cattle all over Europe have been depressed recently and farmers



have been demonstrating against the low prices. Some feel that BSE could be just the excuse the French and German governments were seeking to

make a gesture to their farmers.

Whether European political decisions are genuinely concerned about human health or not, however, the effects of a long term export ban on the British beef industry would be devastating. Exports of quality beef to Europe have been increasing in recent years as French and Germans developed a taste for British quality.

As UK consumers continue their reticence towards the home produced product, supplies on the market are bound to exceed demand and prices will plunge. They have already fallen significantly.

Beef production is a marginally profitable occupation in any case and a further fall in the price could drive many specialist producers into bankruptcy. The same applies to the abattoir trade which has also been through tough times in recent years.

There will be much anxiety as farmers wait to see if France, Germany and Luxembourg respond to the EC ultimatum that their bans are lifted by 6pm on Monday.

NEWS IN BRIEF

Labour will consider 'green' taxes

LABOUR is prepared to adopt market mechanisms and regulation to protect the environment, Mr Bryan Gould, the shadow Environment Secretary, said yesterday.

The price mechanism and "green" taxes were among the market solutions being considered, he told a conference on the environment organised by the Association of Metropolitan Authorities.

Labour was prepared to abandon ideology to avoid delays tackling problems such as global warming, he said.

Shellfish warning

THE Government yesterday partially lifted a health warning on shellfish caught off the north-east English coast, announcing it was safe to eat lobsters, shrimps and prawns.

The Department of Health withdrew its advice that the three must not be eaten after assessing the results of more tests. It said its warning that crabs, mussels, winkles, whelks, oysters and scallops must not be eaten would remain in force until further notice.

The warning was issued last Saturday after tests on shellfish found traces of toxins which the department warned could "produce a paralysis which can prove fatal."

The problem is caused by a build-up of toxic algae bloom in the sea.

Racial site closure

RACAL, the UK-based electronics and communications group, is closing one of its three factories making tactical military radios with the loss of 200 jobs.

The company said it would close the leased site in Wembley, north-west London, in August because of the downturn in defence spending.

Soviet bonds

A dispute dating back to the 1917 Russian revolution has been resolved with the payment of £28.5m as final settlement of outstanding British bond and property claims on the Soviet Union.

The payment brings to £60.4m the total paid out to 3,677 bond holders and 1,188 property claimants.

Staff buy-out at Lowland Scottish bus company

By James Buxton, Scottish Correspondent

LOWLAND Scottish, the first privatised company in the state-owned Scottish Bus Group (SBG), is to be bought by a combination of its management and employees, with the Bank of Scotland also taking a stake.

The company operates 121 buses in the border country of south-east Scotland. It has 367 employees and operates profitably.

The Scottish Office is privatising the SBG, which operates bus companies throughout Scotland in the form of 10 companies, which are to be sold off at the rate of one a month.

The Government is prepared to accept bids for buy-outs by management and employees at 5 per cent below other offers, and will not allow any buyer to purchase more than two companies.

Several companies showed an interest in Lowland Scottish, which is to be renamed Lowland Omnibuses. They included Grampian Transport, formed in 1988 after a staff buy-out. The price of the buy-out is not being disclosed.

Under the deal, four managers, led by Mr Douglas Pelling, managing director, will have about 40 per cent of the equity. Employees will be able to subscribe to shares and will also automatically benefit from an employee share purchase plan. Bank of Scotland will own 30 per cent.

US investment bank aids N Ireland takeover

By Our Belfast Correspondent

AN INVESTMENT bank run by the US Government has made its first contribution to Northern Ireland industry.

The Overseas Private Investment Corporation (OPIC) helped Lummus Industries, of Georgia, finance its takeover of James Mackie and Sons, the West Belfast engineering company.

OPIC's first venture in Ireland is regarded as significant as there is doubt over the future of the International Fund for Ireland - a non-political fund to promote economic and social advance and encourage reconciliation between Unionist and nationalists.

The bank is guaranteeing a £3.5m loan to Lummus as part of the £20m package for the acquisition and modernisation of Mackie on a new West Belfast site. Lummus, the world's largest producer of cotton spinning machinery, is joining forces with the world's leading producer of flax and jute machinery, producing a combined sales volume in excess of £100m (£58.6m).

The investment will secure 500 jobs and make way for a economic regeneration programme on the existing Mackie site. The company is being renamed Lummus/Mackie. OPIC is a US government agency providing pre-investment services, financing and unique risk insurance to help American investment.

Town halls face poll tax shortfall

Jimmy Burns on the problems in collecting the community charge

THE DIFFICULTY that Labour-controlled Wandsworth Council is facing in ensuring a smooth outcome of proceedings against non-payers of the community charge, or poll tax, underlines problems with the tax appear to be spreading to other councils that had earlier claimed implementation was relatively trouble-free.

In London, Conservative-controlled Wandsworth Council, which last month claimed that collection was giving "no cause for concern," said yesterday that it had collected 13.8 per cent of the total collectable levy over the year.

The council said: "There is a slight backlog but that is understandable given that we are facing a huge administrative task."

Sir Paul Beresford, the leader of the council, has indicated that Wandsworth may be able to maintain its position as having the lowest poll tax in the country only if council departments undergo a radical review of spending, which the opposition interprets as short-hand for substantial cuts.

Labour-controlled Hartlepool Council was another local authority that last month had claimed to be at the forefront in sending out bills. Yesterday, Mr Bert Emmerson, assistant

chief financial officer at the council, said collection in the first eight weeks was 25 per cent below forecast.

The Association of District Councils said yesterday: "The Government has set in motion a whole new system of taxation in which serious flaws are now being discovered... local authorities have been left with the problem of sorting out the mess."

Further indications of the difficulties have come from the Institute of Revenue, Rating and Valuation, the professional association representing community charge officers in England and Wales.

Yesterday, Mr Colin Farrington, the Institute's director, indicated that many local authorities could be reaching a financial "crunch point" this autumn because of much lower revenue than anticipated and excessive short-term borrowing to meet the cash-flow difficulties.

Mr Farrington said: "Every local authority treasurer I have spoken to has told me that he has less income than he had planned for."

City sources contacted by the Association of Metropolitan Councils have confirmed that borrowing in April was substantially greater in real terms than during the same month last year when the rates system was still in place.

A figure of £1.6bn - double the figure for last year - was suggested yesterday by the association.

At Birmingham City Council, the largest local authority in the country, the sheer volume of paperwork involved in the early stages of collecting poll tax means that council officials have not even begun to think of summonses against non-payers, according to Mr Jeff Pipe, the senior assistant treasurer.

Nevertheless, several councils - including Bristol and the London boroughs of Greenwich and Hackney - have been reserving court action in the expectation of legal action.

If the current level of payment of the tax persists there could be more than 2,000 people potentially liable for prosecution in coming weeks the ADC claims.

Mr Brian Forster, president of the Justices Clerks' Society, said yesterday that he expected the number of prosecutions to be much less than the figure as current administrative difficulties were ironed out.

Yet he admitted that some time and the number of available court officers had limits and that the system would "not be able to cope with an excessively large number of summonses."



HIDROELECTRIC ESPANOLA

NOTICE

The Company's shareholders are hereby informed that the Annual General Meeting to be held at the Palacio de los Deportes, Avenida de Felipe II, 19, Madrid, on June 4th, 1990, at 12 noon, will not take place on that date due to the number of attendance/voting cards requested is insufficient to form the quorum required by the Ley de Sociedades Anónimas (Companies Act) at first Meeting.

Accordingly, the Meeting will be held on June 5th, 1990, at 12 noon, at the place stated above. The attendance/voting cards already issued will be valid, as well those requested prior to that date by shareholders confirming registration of their shares not less than 5 days before this Meeting date.

Madrid, May 31st, 1990.
THE SECRETARY OF THE BOARD



HIDROELECTRIC ESPANOLA

ANNUAL GENERAL MEETING ATTENDANCE FEE

Shareholders are reminded that, as stated in the announcement of this Company's Annual General Meeting, on June 5, 1990 an attendance fee will be paid on each share owned by the shareholders present or represented at such Meeting, as follows:

| | |
|--|-------------|
| Attendance fee per share | 2,500 Ptas. |
| 25% tax withholding (personal or corporate income tax) | -0,625 |
| Net payable per share | 1,875 |

Payment of the attendance fee will be made through Banco Bilbao Vizcaya, Banco Español de Crédito, Banco Hispano Americano and Confederación Española de Cajas de Ahorro, all of which have been instructed accordingly.

Shareholders of the Company not resident in Spain should contact their depositaries for the aforementioned purposes of their presence and representation at the Annual General Meeting for collection of the attendance fee.

Madrid, May 21, 1990

By order of the Board
THE SECRETARY

John Smith



Children play on the former Consett steelworks site which is set to become Europe's first truly green development with clean energy

Consett sees clearer future as dust settles

Alan Pike on how a former steel town has linked job creation with the environment

THE red dust no longer hangs in the air of Consett. It used to be one of the most famous things about the town, caused by pollution from the steelworks, which was the other famous thing. The dust disappeared when the steelworks closed 10 years ago this September.

Ten years later, the arguments that failed to save Consett - its excellent productivity, the confidence of customers in its products - are not enough to save the town. But developments since then have significance beyond the one-industry town and the lives of its people.

Local and central government agencies and the European Community invested heavily in the town's redevelopment. In addition to £11m spent on demolishing the steelworks and reclaiming the site, £17m has been invested in building fac-

ilities and industrial estates, without which there could be no hope of reviving the local economy. A further £13m was spent on roads and other infrastructure and environmental improvements.

British Steel (Industry), the corporation's job-creation arm which was active in Consett after the closure, has calculated that the public sector investment will be offset within the next few years from tax revenue raised by businesses established in Consett since the closure, combined with savings in unemployment and social security benefits.

Also, about £50m has been invested by private sector venture capitalists and banks to help new business start-ups. The story since 1980 begins with the dust. For the first time in generations, the closure permitted an unpolluted view of the area of outstanding natural beauty to which, in 1840, the Derwent Iron Company had added the incompleteness of a steelworks.

"Once the works closed, there was a collective determination in the town that we were not just going to join everywhere else in the north in trying to attract new jobs," recalls Mr Neil Johnson, chief executive of the local Derwent District Council. "We wanted to shape a different, more modern sort of society out of the closure."

"Consett went from high levels of pollution to having some of the cleanest air in the country. We decided that this, combined with the glorious surroundings, was how we must market the new Consett."

The council bought the redundant steelworks and demolished it in what became Europe's largest environmental improvement programme.

Mr Johnson said Consett did not want to attract low-quality, dirty businesses that would have spent years picking over the remains of the works. While demolition was going on, the council took a brave decision. In spite of a male unemployment rate of 38 per cent, it made it clear that Consett had no place for incoming industries which would bring fresh forms of pollution to the new industrial estates being built around the town.

In the past 10 years at least 4,000 new manufacturing jobs have been created - slightly more than the number of people working at the steelworks when it closed. These include a few well-known names such as Derwent Valley Foods, which makes Philias Fogg snacks, and which has grown from small beginnings in the town.

Other companies to have set up in the town include: Security Laminators, which needed clean air for its glass production processes; Integrated Micro Products, a high-tech company founded by two former Open University researchers which chose Consett because of the skilled industrial workforce, its location close to two universities, and the attractive surroundings; and Blue Ridge Care, a business start-up manufacturing disposable nappies which has expanded rapidly and employs about 200 people.

By last year the 20 leading companies in Consett - most of which were not in existence when the steelworks closed - had a combined turnover of £110m.

Some businesses have been established by redundant steelworkers such as Mr Mike Heyward, who began making home brew kits when the steelworks closed and now runs the Rowley Wine Company, employing about a dozen people.

"Things were very difficult when the works closed, especially for some of the older men," he says. "But many of the younger ones have found jobs in the new factories, and we really do have a more varied and stable industrial base now."

But the past 10 years have also been a one-way street to success for Consett. Many new jobs do not pay as well as those in the steel industry and overall spending-power in the local economy has been reduced. The unemployment rate is 12.3 per cent - an improvement on 38 per cent but above the northern average, and high by national standards.

Consett does not intend this to be the end of the story. The landscaped, 400-acre site of the former steelworks is set to become Europe's first truly green, fully environmentally friendly comprehensive development.

A wind farm and hydro-power from artificial lakes will provide the site with its own low-cost, clean energy. Work-shops and offices of companies involved in recycling and environmentally-based activities will be accommodated along-

side high-quality housing developments. Research and educational organisations concerned with environmental projects will, it is hoped, be attracted.

The council has selected Partnership Renewal of the Built Environment - a joint venture set up by the Halifax and Nationwide Anglia building societies and the Lovell group - to work with it on the £200m scheme and there are strong hopes that formal negotiations will be completed within two to three months.

The idea is seen in the town as a way of keeping faith with its young. Many steelworkers used redundancy payments to buy their council houses - they wanted to stay in Consett. This meant a future had to be found for their children.

Large numbers of these children had a difficult time in the 1980s, with parents unemployed or on low incomes. Julie Swinburne, Kay Poulter, Emma Fall and Debra Wilkinson, teenagers at Moorside Comprehensive, have grown up in a town dominated by the economic and social impact of unemployment. Their song is about the steelworks closure which caused this. But it is not a message of despair.

The red dust has blown away. A new start has begun. This is the beginning of a brand new day.

Managers put through their paces by workers

By John Gapper, Labour Editor

SALES staff in W.H. Smith stores have been given an unusual chance to ensure they are well treated by their managers. They have been asked to rate managers' qualities in a performance assessment scheme.

In a pilot assessment scheme about 300 managers in retail stores and at the company's head office at Swindon were being rated on a list of qualities by those working under them.

Among the qualities judged by staff were their manager's communication skills and ability to inspire motivation and trust. They were also asked whether the manager encouraged them to participate in making decisions.

The scheme has been refined from an initial test in which 10 managers at Swindon were rated on a scale of 1 to 10 by their staff. The broader pilot scheme does not have a simple numerical rating for manager.

For the Management Style Survey, staff were asked to complete a questionnaire rating managers from had to very good on a list of qualities. They were asked how willing they would be to seek help from a manager if they had a problem. The assessments are not being used directly to affect managers' pay levels but to encourage managers to be better communicators and to involve the staff in company policy.

Although individual performance assessments for management and supervisory staff is becoming common in many sectors, few large companies ask non-managerial staff to contribute to them.

The company is considering extending the performance assessment to all 750 managers at its retail head office and 440 stores if the pilot scheme works. It expects the results of the assessment by next month.

Mr John Ainley, personnel and training manager for W.H. Smith's retail staff, said that the company wanted to ensure that its managers' skills in dealing with staff were developed so that staff felt appreciated and valued.

The company had carried out attitude surveys of staff as part of an effort to improve recruitment and retention. "These had found that staff wanted to be valued by managers and more involved in the running of the business."

It believed that asking staff to rate managers was a logical extension of asking customers to rate the company in attitude surveys. However, assessments had to be "handled very carefully" so that managers were not unnerved.

Counselling on violence for pub staff

By John Gapper

WHITBREAD INNS, which runs 1,600 public houses in the UK, is to train its area managers to counsel pub staff who have been assaulted by customers. The scheme is part of a broader effort to reduce assaults.

The company is designing a course in "post-trauma stress counselling" for area managers. They will be expected to visit pubs where assaults have occurred within 24 hours and decide whether staff need professional help.

Whitbread's set of training initiatives to reduce assaults include a new recruitment procedure under which candidates for trainee managerships are tested on how they would avoid violent confrontations with customers.

Since 1987, when the company first studied the effect of violence on its staff, the complaint has reduced in importance as a reason for staff leaving their jobs. It was the most cited reason and is now cited by only 4 per cent of leavers.

The training given to first-year managers led to a fall in the proportion of violent incidents involving them from 79 per cent to 40 per cent in the first year of the scheme and 29 per cent in the second year.

Whitbread's changes, rectified by the pay research group Income Data Services, have come amid concern from a variety of companies, particularly retailers, about increased staff assaults.

Tesco, which employs about 80,000 staff is testing a strict security regime in eight stores to reduce violence towards staff. In these stores, attacks have been nearly eliminated.

In the pilot stores, computers are programmed to find specific types of activity on the part of customers automatically. Money is also being transferred from tills by air tubes to stop it being carried on foot.

IDS Study No 458 - Violence Against Staff; IDS, 193 St John Street, London EC1V 4LS. By subscription.

EMPLOYMENT

BA strikers reject compromise and ballot on action

By Lisa Wood, Labour Staff

BRITISH AIRWAYS engineering workers will decide over the next fortnight in a secret postal ballot whether to make their stoppage at Heathrow Airport official.

A mass meeting yesterday of about 4,500 of the 7,000 engineers who have been on indefinite unofficial strike since last Friday, decided by a show of hands to reject a compromise put to their national officials by BA.

The engineers are objecting to the imposition of a 12-hour shift system.

The airline, during talks with the national officials of the eight unions whose members are involved in the dispute, offered on Thursday to make the 12-hour shift system voluntary.

Mr Roger Butler, divisional officer of the AEU engineering union, said: "There is tremendous opposition to the 12-hour shifts as was indicated by the strength of feeling at this meeting."

An action of this kind takes time to affect operations and as every day passes more maintenance needs to be done. This strike is solid and we have had support from airline unions throughout Europe."

Other employees at Heathrow yesterday expressed concern at the possibility of a strike.

Captain Roger Mulberge,

chairman of the British Airline Pilots Association and a BA pilot said delays were occurring and these could increase over the next few days.

"We look to Mr Colin Marshall, deputy chairman and chief executive, and Lord King, the chairman, to take charge of the situation and bring this dispute to a conclusion," he said.

National officers of the engineers' unions, including the AEU engineering union, the TGWU general workers union and MSF, the general union, said the result of the ballot would not be known for at least a week.

BA said that it regretted the decision of the mass meeting. But it said that it was confident that it could keep the airline in the air.

"We are not cutting corners," said BA. The airline is using management to perform routine maintenance on aircraft.

Captain Mulberge added: "We have great sympathy with the engineers. First the 12-hour shift system was imposed. There was no negotiation and this is disturbing. We expect to proceed by consensus."

"Second, we accept the engineers' argument that a 12-hour shift in their department is not a safe way to operate. These people work hard in what can be very unpleasant conditions."

Teaching ad campaign attracts 7,000 inquiries

By Norma Cohen

THE government's £2.2m advertising campaign to attract more teachers has attracted inquiries from 7,000 people, Mr John MacGregor, Education Secretary, said yesterday.

Speaking at the annual meeting of the National Association of Head Teachers in Torquay yesterday, Mr MacGregor said that requests for information packs are running at 1,000 per day.

Last month, the Government launched a campaign, devised by Saatchi & Saatchi, which used television and display advertising to promote the slogan: "Teaching Brings Out the Best in People."

Meanwhile, Mr MacGregor said that the national teacher shortage, particularly in the subjects of maths, sciences, technology and modern languages, could impede implementation of the national curriculum. "Improvements in the supply of teachers are needed to make the National Curriculum the success which it should be, everywhere and in all the key and foundation subjects," he said.

Separately, the NAHT, which represents 80 per cent of the nation's head teachers, yesterday approved a motion calling for a code of conduct to govern school advertising.

The code is needed in light of the Local Management of Schools and because of the encouragement of marketing and commercial practices in schools.

Under LMS, school budgets are determined by the number of pupils enrolled. Some heads fear that in the rush to enroll additional students and boost funds, some schools may engage in sharp practice, undermining the reputation of their nearby competitors.

In particular, head teachers are worried that schools may publish their examination results as part of their advertising copy, thus suggesting to parents that attendance at a particular institution is likely to lead to a greater academic success.

Already, several schools around the country have resorted to advertising on radio, in local newspapers and on railway hoardings.

Hurd supports Manchester's Olympics bid

By Ian Hamilton Fazey, Northern Correspondent

R Douglas Hurd, the Foreign Secretary, has surprised the backers of Manchester's bid to stage the 1996 Olympic Games by writing an unprompted letter to all 89 members of the International Olympic Committee declaring the Government's "wholehearted support."

British ambassadors or consuls general will deliver the letter, emphasising the Government's commitment. Mr Hurd said it is nearly 50 years since the games were staged in Britain and it is time for them to return.

The committee will choose between Athens, Atlanta, Belgrade, Manchester, Melbourne and Toronto when it meets in June in September.

Power generators pick up 9% of market

By Maurice Samuelson

NATIONAL Power and PowerGen, the new electricity generating companies, have won contracts to supply more than 1,000 factories, offices, hospitals and other large sites in England and Wales.

After tough bargaining which ended yesterday, the generators picked up business totalling about 9 per cent of the electricity market by offering prices up to 20 per cent below those quoted by the local electricity distribution boards, the traditional suppliers.

But big Scottish electricity users claim that they have not been given a chance to make similar arrangements and are asking Professor Stephen Littlechild, the electricity regulator, for more time to do so.

There has also been a flurry of competition between neighbouring distribution companies to supply premises straddling

their borders, such as hospitals and water treatment works.

The contracts won by the generators are for sites with demand of at least 1MW of electricity. The generators could have won even more contracts were it not for the limits set to protect the distributors against full-scale competition in the first four years after privatisation.

In eight of the distribution areas, up to 15 per cent of the market is open to competition from the two generators. In four boards with heavy concentrations of industry these limits were recently lifted - to 25 per cent in north Wales, Merseyside and south Wales; and to 20 per cent in the north and in Yorkshire.

By yesterday, National Power had secured contracts to supply more than 600 sites, worth about £450m a year, and

accounting for about 5 per cent of the power market.

Its customer list includes the London Stock Exchange, National Westminster Bank, Rover, BP International, Rolls-Royce, Thorn EMI and 70 per cent of the British Telecom electricity requirement.

It would also supply 10 ICI sites, totalling 140MW capacity, but they did not include the large chemical plants at Runcorn and Wilton.

PowerGen said it had surpassed its sales target by winning contracts to supply some 400 sites owned by about 100 companies.

It would supply 70 per cent of the electricity used by British Steel, the UK's largest electricity consumer. PowerGen had also won contracts to supply the Channel tunnel and large sites owned by Marks & Spencer and John Sainsbury.

In Scotland's main industrial areas, however, industrialists say they have been prevented from enjoying the benefits of competition because it was not until last week that Scottish Power, the successor to the South of Scotland Electricity Board, published its charges for the use of its system.

As a result, they had no basis for comparing supply bids from Scotland's other generator, Scottish Hydro (the former North of Scotland Hydro Board) or from National Power and PowerGen.

Mr Ian Blakey, spokesman for the leading energy intensive industries, said that since Scotland's electricity companies were not due to be floated until the middle of next year, more time should be allowed for Scottish industrialists to seek alternatives to their existing suppliers.

Enterprise agencies set up body to improve services

By Ian Hamilton Fazey, Northern Correspondent

MERSEYSIDE'S nine enterprise agencies yesterday launched an umbrella organisation, Mentor, to ease confusion among small business clients and sponsors and to sort out gaps and overlaps in services.

The Government's Action for Cities programme is paying half of the £25,000 first-year running costs of the experiment, which will be watched closely by the network of more than 300 agencies, many of which face similar difficulties.

IBM and Barclays funded an initial study of how to solve the problems and Mentor's other supporters now include United Biscuits, and Lloyd's, Midland, and Natwest banks. BAF and Royal Insurance are seconding full-time staff and Mersey Docks and Harbour Company is providing offices.

All the agencies are in the area covered by the new Mersey Training and Enterprise Council (Tec), to which the Government is contracting

training for enterprise. Mentor's role is likely to be significant in developing links and policy.

Mentor's chairman will be Mr Bill Appleton, a former senior partner with Deloitte Haskins & Sells, who developed the concept of a local umbrella organisation last year.

The agencies are co-ordinated nationally by Business in the Community.

Mr Appleton said that self-employment accounted for 16 per cent of the European Community's working population but was still only 12 per cent in Britain, in spite of an increase of one-third in recent years.

The agencies' role remained crucial, especially in economically difficult regions such as Merseyside, which still had pockets of more than 30 per cent unemployment, and areas where self-employment accounted for only 4.5 per cent of jobs, he said.

Birmingham Midshires Building Society

£150,000,000

of which £100,000,000 is raised as the Initial Tranche

Floating Rate Notes Due 1995

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Saturday June 2 1990

Backing the basket cases

WHAT is it about the underperforming British economy that holds such a powerful allure for overseas investors and businessmen? This week the buoyancy of the markets owed much to foreign buyers of sterling, who were seemingly undeterred by the dismal recent run of trade figures.

Official Japanese figures coincidentally confirmed that Britain remains a favourite target for Japanese inward investment, which increased by a third to \$5.4bn in the year to March 31st. Just to round off the picture, an unnamed foreign investor spent \$250m buying Lansdowne House in London's Berkeley Square where the rent is paid by the fallen advertising star Saatchi & Saatchi, which is expected to pass its dividend this year. The seller was Legal & General's life fund and it came as no surprise that the buyer was foreign. Where the foreign investment institutions are concerned, nothing is more friendly than the near-lifeless British commercial property market.

Buy on bad news is an old investment adage whose appeal never dims. But what if the news gets worse? In the case of sterling, the people who were buying this week would probably buy more and cheerfully. The underlying assumption is that if Britain goes into the Exchange Rate Mechanism of the European Monetary System it will be forced to submit to the discipline of the Bundesbank. Since the ERM precludes interest rate devaluation, an inflationary escape valve, interest rates within the system are likely to converge over time.

Upward surge

Hence the attraction of underperformers. Italy has a budget deficit equivalent to 12 per cent of GNP and a rate of inflation not very different from the underlying rate in Britain. But mortgage interest is excluded. Yet for most of this year the lira, whose band for ERM fluctuations narrowed in January from 6 per cent to 2.4 per cent, has been among the strongest in the system because Italy continued to offer a premium over comparable French interest rates. That is the logic behind sterling's upward surge earlier this week. And it has the same

lance-jerk quality as the markets' earlier obsession with meaningless monthly trade figures or, for those whose memories stretch back to the 1970s, equally meaningless short-term money supply figures.

Wider questions

For a start, the chancellor Mr John Major has yet to clarify the timing of the Government's move into the system. On Thursday Bundesbank president Mr Karl Otto Pöhl questioned once again whether sterling should join the ERM before its inflation and the current account problems are brought under control. And there are wider questions about the co-ordination of economic policy in a fixed exchange rate system that the punters in sterling would do well to ponder.

The most obvious, apart from monetary and budgetary policy, concerns differences in financial structure. In Britain's deregulated financial markets where some ownership enjoys heavy fiscal subsidies, changes in interest rates have a more powerful impact on house prices and consumer spending than in France or West Germany, where credit is rationed. The risk that inward capital inflows could create a conflict between the domestic and external objectives of policy by forcing interest rates down prematurely, so precipitating another credit explosion and house price boom.

That might, of course, be good news in the short term for Mr Major, who is hoping to persuade the odd building society to accept the City's shilling. But in the longer run the commitment to the ERM, if it is real, would involve more painful medicine. In the absence of the devaluation option, inflationary pay settlements would genuinely price British goods out of European markets. And to keep sterling within its pre-ordained band the Government would be obliged to accept whatever interest rates the markets chose to impose. That could point to a corporate profits crunch, higher unemployment, lower consumer spending and a protracted period of low growth as British inflation is finally brought into line.

For those foreign investors who take a genuinely long-term view, the ultimate benefits to be had from price stability are no doubt worth waiting for. But in itself, the ERM is no panacea; and if it is to work, it calls for policy changes in politically sensitive areas. There is much more to fixed exchange rate systems than meets the average voter's eye. The salutary revelations will come after the election.

London is one of the world's great cities. It is the financial capital of western Europe. But to the growing consternation of its inhabitants, its status on both counts may be under threat.

It is bad enough that the city is litter-strewn and squalid, that the crime rate is perched at ever-rising levels and that The Strand at night is lined with beggars and vagrants. But the issue now vexing Londoners is the misery of travelling into and around the city on a transport system that seems to be hovering on the brink of collapse.

Congestion in the capital has reached the point where the word "transport" is becoming inseparable from the word "crisis". Road users are locked in perpetual traffic jams; railway passengers suffer delays and overcrowding; and the Underground system is overloaded to the point where some stations have to be closed in the rush hour.

One reason why this matters was highlighted on Wednesday in a toughly-worded report commissioned by the Corporation of London, the local authority responsible for the Square Mile.

As the report points out, just as London's economic prosperity was built on its success as one of the world's largest trading centres, so it rests today on its success as one of the world's three dominant financial centres.

But while the status of the two other centres - New York and Tokyo - is assured by the size of the domestic economies they serve, London has no such protection against the challenge being launched within the European time zone by cities such as Paris, Frankfurt, Brussels, Luxembourg and Zurich - a challenge that grows daily as the EC's move to a single market draws near.

One way in which congestion undermines London's competitiveness is by inhibiting the city's ability to attract the people and businesses vital to its prosperity. But it also imposes a financial cost that increases the price of London's goods and services relative to those of its competitors.

The Department of Transport has shied away from drastic solutions to the road traffic problem

To take a simple example, a 15-minute delay on a taxi trip from the City to Euston adds 80p, or 31 per cent, to the "normal" fare of £2.60. On a different scale, Royal Mail Letters estimates that London's traffic jams cost it £10.4m a year in fleet costs and drivers' wages.

Economic arguments apart, there is another strong reason for Londoners' frustration over the transport issue. It is the feeling that, of all the capital's problems, it is simultaneously among the most easily tackled and most badly neglected.

In fairness to the policy makers, congestion in the capital is not particularly alarming by historical standards. Central London was in virtual chaos in the 1880s when the streets were choked with horse-drawn traffic. The average peak-hour traffic speed of 14mph today is considerably better than the 8mph experienced in the early 1980s.

It is wrong, too, to assume that London transport has seen an inexorable rise in demand. Through most of the recessionary days of the 1970s and early 1980s, commuting into central London declined as employment fell. Indeed, by 1982, the capital's Underground trains and buses were so under-used that the then Greater London Council - which at the time had responsibility for transport planning in the capital - introduced a cheap

London's competitiveness in Europe is being undermined by a transport system in crisis, says Richard Tomkins

City counts the cost of congestion

forces policy in an attempt to fill them. The GLC's policy proved to be short-lived, and the council itself was abolished by central government in 1984. But amid a global surge in financial services, economic growth in the capital took over where cheap fares left off, and with the roads clogged by an increase in commercial traffic, rising numbers of commuters looked to British Rail and London Underground to get them into work.

Today, the problem that London faces is that its roads can barely take more traffic without taking the sort of super-jams that began to occur in last year's run-up to Christmas. Diverting more people on to public transport is no longer an option because at peak hours - when most people travel in and out of the capital - the railway and Underground systems are full.

But it is what lies ahead that turns the word "problem" into "crisis". In Docklands, the Canary Wharf development will produce 12m sq ft of office space and an extra 120,000 jobs. Some 20m sq ft of office space is under construction in the City and West End, and another 40m sq ft is planned over the next four years. The proposed King's Cross development will be an office centre as big as Croydon - itself, the sixth biggest outside central London.

The sense that nothing is being done to cope with the growing pressures stems from the fact that the Department of Transport has taken a gradualist approach to central London's problems in preference to more radical solutions.

On the railways, for example, the department has authorised Network SouthEast to spend £1.2bn over the next three years on "stretching" its capacity by lengthening trains and platforms and by introducing faster, higher-capacity rolling stock.

London Underground, too, is spending £1.7bn on resignalling the Central and Northern lines so that trains can run at greater frequencies, replacing rolling stock with higher-capacity trains, and improving the capacity of the most overcrowded stations.

But while these measures will go some way towards easing the present levels of overcrowding, they will not cater for the 20 per cent increase in demand for peak-hour travel forecast to take place over the next 10 years. To cope with that, new lines must be built.

The best rail options are those that overcome the need for incoming mainline passengers to disembark at one of the mainline terminals and switch to an underground train to complete their journey. The Thameslink route from King's Cross to Blackfriars is a prime example.

Thus, last year's government-backed Central London Rail Study suggested that two new lines criss-crossing the capital between mainline terminals would cater for future demand. The Government has yet to announce its decision on the £2bn plan, but has already indicated that only one line will be built.

The Department of Transport has also shied away from drastic solutions



to the road traffic problem. Rather this year, Mr Cecil Parkinson, the Transport Secretary, was warmly applauded for his decision to drop an intensely controversial £2bn road-building plan: but in its place, he adopted the relatively minor "red routes" scheme under which special measures will be taken to keep traffic moving freely along key radial roads. To transport economists, the glaring fault with red routes - as with any other scheme that makes driving into London easier - is that they cannot succeed as long as the main constraint on demand for road space is congestion. Free up the roads, and the inevitable consequence is that more vehicles will pour on to them until congestion is back to unacceptable levels.

This week's report from the Corporation of London is the latest in a long line of studies concluding that more radical measures are necessary if London's transport system is to offer an acceptable level of service. The main strand of thinking is that if public expenditure constraints rule out a massive investment of government funds in new lines, some kind of consistent pricing structure will have to be introduced to bring the supply and demand for transport into balance. Londoners, it seems, are going to have to stop seeing transport as a sacred right and start paying a realistic price for it, in the same way as they do for other goods and services. The existing system, it is argued, is riddled with inconsistencies. London's Travelcard system, for example - introduced by the GLC in 1983 - is immensely popular: but that is because it allows people to make non-essential journeys on public transport at zero marginal cost. In the words of Mr David Sowers, former director of economics at the Department of Transport: "To insist on maintaining a pricing system that was introduced to increase utilisation of an under-used asset long after that asset has become congested is manifestly absurd." Instead, he suggests, people should

be charged according to the use they actually make of public transport. Combined with higher fares, that would simultaneously reduce demand and raise more money for the construction of new lines.

The danger of such a policy is that it would drive more people onto the roads. It would, therefore, have to be accompanied by a pricing mechanism that charged drivers something nearer the full economic and environmental costs they impose on their fellow inhabitants. At present, because most of the cost of driving a car consists of the upfront purchase price, depreciation, tax and insurance, the marginal cost of driving into central London is limited to the relatively small cost of the fuel. A large and growing lobby is arguing that this should be supplemented by a system of charging people for the use of road space.

This could be done in several ways. A permit to enter the city could be bought and displayed on the windscreen, or (preferably) some sort of electronic system could charge drivers according to their mileage in the restricted zone.

The practical problems of such a system - in particular, the question of how it would be enforced - are horrendous. To succeed, it would also have to be unpopular: pricing would be high, the restricted zone would extend probably to the M25, and exemptions would be few.

As one of Mr Parkinson's senior civil servants remarks privately: "To introduce road pricing in London would be an act of some political courage."

One big bonus of the road pricing idea is that it would enable better use to be made of London's most under-used asset: the bus. Unreliability and delays caused by congestion have halved the number of bus passengers carried since 1976. Speeding up the buses would, therefore, create a significant amount of attractive public transport capacity.

Mr Parkinson, however, is firmly of the view that road pricing is an idea whose time has not yet come. Similarly, the clamour for some kind of

central body to co-ordinate transport and planning policy in the capital has fallen on deaf ears: it sounds too much like the GLC for the Government even to contemplate it.

So while Paris continues with a big programme of investment in public transport that has already seen the modernisation of the Metro and the construction of four RER cross-city lines, transport policy at the other end of the Channel Tunnel is focused mainly on getting the best out of the present creaking system.

Given the long lead times that important transport projects require, and the widespread feeling that UK transport policy is stuck in a political abyss until after the next general election, there seems every prospect that the gap between the two cities will widen rather than narrow.

But is it putting it too strongly to talk of a crisis as long as people are still getting to work? Mr David Bayliss, director of planning at London Transport, is probably in as good a position as any to judge.

"If you regard London suddenly grinding to halt as a crisis, then we're not there yet," he says. "But if you regard wasting possibly billions of pounds a year through congestion at a time when we face increasing competition in a single European market, then I think you could say that we are."

Everything about Boris Yeltsin is black or white. There are no shades of grey. And everything seems to be larger than life, even his popularity.

He is always in the wars, whether as a youth blowing off his thumb and half a finger with a hand grenade, appearing to be drunk and inept on a US lecture-tour, or storming into a Moscow police post dripping wet from the Moscow river, to accuse the KGB of attempted assassination.

The man who this week dealt President Mikhail Gorbachev his gravest political defeat, when he trounced the Soviet leader's nominee to become president of the Russian federation, is the nearest thing to a popular politician the Soviet Union has produced. All his exploits seem only to inflate both myth and reality.

The trouble is, he is so popular it amounts almost to adulation. On the afternoon of his victory in the Russian Congress of Deputies, it was impossible to find a Muscovite on the street who was not delighted.

To his supporters, he is the fearless fighter against the tyranny and corruption of the Communist Party establishment, the man who was sacked by the system, continued to denounce privilege and authoritarianism, and has wreaked his revenge.

Not only that. Many want to see it as a victory for Mr Gorbachev too. They believe that it will liberate him from the conservative wing of the Communist Party.

Yet Mr Gorbachev's closest advisers, intelligent and sensitive people, are horrified. "There are a lot of fanatics with him," says Mr Ivan Fylov, the editor of Pravda and former personal aide to the President. "We are trying to get rid of such feelings, and here they are cultivated. Then it may finish badly."

"We have had examples of this sort of fanaticism, of blind belief in a leader," he says, obviously referring to Stalin. "It is very dangerous."

Mr Roy Medvedev, the one-

MAN IN THE NEWS

Boris Yeltsin

Populist with a passion for power

By Quentin Peel



time dissident historian brought in from the cold by Mr Gorbachev, is equally hostile. "In recent years Mr Yeltsin has shown an extreme desire for power. He changes his political direction all the time in pursuit of it," he said this week. "A year ago he was a left radical. Then he was a social democrat. Now he is a Russian nationalist."

"I think that the possibility of a clash (with Gorbachev) is very great."

The two men are natural allies of perestroika, both committed to the radical overhaul of the system. Yet they differ in style, they differ in tactics and above all, the bad blood between them runs very deep.

There is a bitterness in Boris Yeltsin at the manner of his dismissal, back in 1987, from his membership of the Politburo, and then his leadership of the Moscow Communist Party. He is convinced Mr Gorbachev has condoned, if not orchestrated, a campaign of dirty tricks against him.

There is a bitterness in Mr

Gorbachev that a man without a programme, without an education, and a man who has betrayed the party which created him, should enjoy such enormous popularity, when his own star is on the wane.

So what sort of man is Mr Yeltsin, between the black and white? Is he the honest radical, incorruptible, clear-sighted, and strong-willed man who represents a personal political challenge to the Soviet leader? Or is he a simple populist, with a brilliant instinct for exploiting the emotions of the people?

He is certainly no magnetic speaker, with a harsh, rasping voice, bad grammar, and a staccato style. He waves his right arm, but keeps his left, with his injured hand, tucked by his side. Yet his sheer size, and his shock of white hair, and his simple repetition of the same message of assault on privilege, make him the biggest crowd-puller in the Russian federation.

His ghost-written autobiography, and now a biographical propaganda film, tell one little

below the surface of the man. His story seems the classic tale of a poor working-class boy made good, star of his volleyball club, who lifted himself off the building sites of Sverdlovsk through native intelligence and motivation, to rise up through the ranks of the Communist Party.

One of the abiding ironies is that he was brought from the Urals city of Sverdlovsk, to become construction chief in the party central committee, then Moscow city chief, by Mr Yegor Ligachev, the most conservative member of the ruling Politburo, and the man who forced his downfall. Both had high reputations as tough and efficient party bosses in the hard school of Siberia.

In Moscow, he forced the resignation of a string of local party bosses in his furious drive to reform the system, causing two of them to commit suicide, according to his detractors. His supporters see it as an uncompromising campaign against corruption.

"There is not a single case

where Yeltsin was greedy, like most of the party secretaries," says Academician Vladimir Tikhonov, an agricultural economist and leading radical reformer. "When he was in Sverdlovsk as party secretary, he had unlimited power. But he refused to use the party dacha. He refused all the special privileges. His wife went shopping herself, just like any other citizen."

"He is a man of broad perception. The trouble is he has not got a very good education. He has a broad outlook, but his lack of education hinders him from establishing a comprehensive set of ideas."

A key to his success will be the team of young radicals he has attracted, convinced that he represents the best opportunity for radical reform. Mr Tikhonov also believes that the late Dr Andrei Sakharov, father figure of Soviet dissidents in the 1960s and 1970s, and a fellow leader of the inter-regional Group of People's Deputies, had a profound influence in broadening his outlook.

Both sides in the coming confrontation insist that the first move depends on the other. Both seem to waver between compromise and confrontation. On Thursday Mr Yeltsin was offering an olive branch, proposing a meeting as soon as Mr Gorbachev returns from Washington. Yet only the day before he was promising to "turn the pyramid of power" upside down, and reduce the state presidency to the power of the British monarchy.

Mr Gorbachev sounds alternatively angry and condescending. He accuses him of "speculating on the difficulties of perestroika from a demagogic position."

His rival's speech, he told workers in Sverdlovsk, "are like an old, worn-out gramophone record."

The danger for Mr Gorbachev is that he has never known anything other than the intermachine politics of a one-party state. He may underestimate the power of the democratic forces he has himself unleashed.

HENDERSON
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| | 1990 | 1989 | Increase |
|------------------------------|---------|---------|----------|
| Profit before tax (000s) | £22,021 | £12,440 | 77% |
| Earnings per ordinary share | 68.17p | 37.87p | 80% |
| Dividends per ordinary share | 37.50p | 30.00p | 25% |
| Net assets (000s) | £54,239 | £47,707 | 14% |

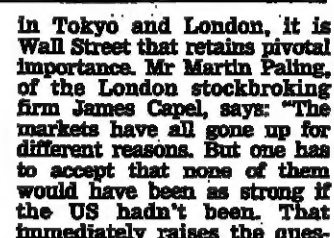
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HENDERSON. THE INVESTMENT MANAGERS.

John Smith

Markets begin to recover from the blues



Yet the economic reality underlying the rally is fragile to say the least. Share prices have climbed to record highs in past weeks largely on the back of April employment figures which suggested that the economy was weaker than anybody had thought and that the US Federal Reserve, committed to avoiding a recession at

the resulting surge in the cost of money — an extended bond yields — was doubtless little overdone; demand for funds in eastern Europe is still very potential than real, and Kyoto's crisis of confidence is short-lived. But there is more to the rise in individual markets than a see-jerk reaction to the surfeit of gloom which went before. There are some good reasons behind the current list of good humour. The most important is the world's easing of its fears about inflation. Take Japan. Consensus about labour shortages.

In the UK, there has been a different stimulus: a sudden interest in the prospect of the country's entry into the Exchange Rate Mechanism of the European Monetary System. This is in one sense quite irrational, since the UK's commitment to the ERM is now of long standing and the Government's conditions for entry remain unchanged. But it is in the nature of markets to ignore

The recent surge of foreign interest is, therefore, perfectly understandable. One reason for UK base rates being as high as 15 per cent is to compensate investors for the risk of further sterling depreciation. Remove the risk, and the compensation looks over-generous, regardless of what risks membership may pose in the longer term.

The most extraordinary range of explanations have been offered to explain the market buoyancy, stretching from the "Gorby effect" in eastern Europe to a desire for security after a recent series of natural disasters.

Yet the economic reality underlying the rally is fragile to say the least. Share prices have climbed to record highs in past weeks largely on the back of April employment figures which suggested that the economy was weaker than any-thing thought at the time. The US Federal Reserve committed to slowing a recession at

But with economic fundamentals still looking shaky, there are those — notably in London and Tokyo — who would not bet too heavily on the current sanguine mood lasting. "There will always be a question mark over an equity market which goes better on a softening economy," says Mr George Hodgson of London brokers Warburg.

David Churchill on Rank's £506m takeover bid

In the heady consumer spending spree of the late 1990s, Mr. Guthrie's aggressive

He needed to be tough, however, when taking over the chief executive's role at Rank in 1983 — a job he took after

Ironically, Mecca and Rank are already due to become partners of a sort on Monday, when the Universal Studios theme park opens in Florida. Rank has a 50 per cent stake in the Florida venture which includes Mecca's largest Hard Rock cafe of the dozen it owns. "It couldn't have come at a more appropriate time," joked Mr Gifford yesterday.

on Sir Terence Conran.

On Anthony Thornecroft's fusion of the Design Museum as a symptom of the artistic malaise afflicting London's Docklands is willfully misleading. "An artistic island," May 26).

The Design Museum is "reaching its first birthday" tonight in the shape of 150,000 visitors since it was opened by Prime Minister last July.

It does not include the many thousands of school and college students who have been admitted free of charge over the last 12 months, nor the hundreds who come every week to evening films and lectures or to the restaurant.

The building has been a success story, heralded as receptive to acclaim, as have exhibitions and programmes organised by the

[illegible]

UK COMPANY NEWS

Hartwell recommends £172.5m Jameel offer

By Jane Fuller

HARTWELL, the motor group, has fallen under the control of the Jameel organisation less than three months after claiming success in fighting off the £172.5m bid.

The Oxford-based distributor, which says it is the UK's third largest, has accepted the 150p per share cash offer which was first made in the latter stages of the January-to-March battle. A second interim dividend of 2.5p has been added.

But there were indications that some of the car makers, at least on the luxury side, would not transfer their franchises to the purchaser.

According to Hartwell, the motor manufacturers had applied pressure to resolve the uncertainty that hung over its future. The Jameel vehicle, Oakhill, had not only built up a stake of more than 43 per cent, but also held a chunk of convertible preference shares.

Oakhill had reiterated its intention of taking over the group by the 1992 conversion date, if not before.

Hartwell, which has more than 50 franchises in 10 towns, suggested yesterday that the uncertainty had been increasingly detrimental to the business and that the continuation

of certain franchises could be in jeopardy.

Mr Rupert Carington, chairman of Oakhill, said shareholders had put pressure on the Hartwell management, led by Mr Peter Huggins, to sit down with the people who were in a position to gain deferred control. He also pointed to worsening trading conditions in the interest-free sector.

The franchises that might be in jeopardy appear mostly to be on the luxury car side. One of Hartwell's defence documents had front cover pictures of BMW, Jaguar and Mercedes cars with a "No" tag on each of them.

Yesterday Mercedes said it was "completely surprised" to hear that Hartwell was recommending the bid.

Its reaction was that it would probably stick by its earlier inclination not to transfer its three franchises. "We don't think Jameel has the experience to distribute cars in our sector of the market. It is an unwelcome takeover of a British group."

Jaguar also stressed that when premises were sold to another company, the franchisees would not necessarily go with them. "Because of their

lack of knowledge of the luxury car market, we would have to look carefully at whether they should take over."

Mr Carington said: "Until the car makers sit down with us, I don't think anyone is in a position to say yes or no." His company would abide by the manufacturers' rules.

This was accepted by Ford, which said its impression was that Oakhill intended to do everything by the book.

There were, however, certain anomalies hanging over from Hartwell's previous moves which might mean that the new owners would be asked to sell one or two Ford franchises. It has about seven on the car side, plus some Ivo Ford outlets.

Rover, for which Hartwell has a dozen franchises, said it did not anticipate any significant changes.

Hartwell also announced yesterday that it had exceeded the pre-tax profit forecast during the hostile phase of the bid. It made £12.5m in the year to February 28, compared with £10.4m in the previous year. Acquisitions and a pension windfall of £1.2m contributed to this. Turnover rose from £403.5m to £571.1m.

Three other acquisitions in the thermal ceramics field have already been made by Morgan - American Refractories and Crucible Corporation in the US, some businesses from San Sebastian Hermanes in Spain, and a majority interest in Refractor Italia in Italy.

Mr Farmer said Morgan was currently trading well and that its overseas presence should reduce the impact of any downturn in the UK economy. Over 90 per cent of Morgan's sales come from overseas, which will increase to about 85 per cent after this spate of acquisitions.

The purchases are expected to have a neutral effect on Morgan's earnings per share in the current year, but to enhance them in 1991. They will also not adversely affect Morgan's gearing level which is expected to remain at about 50 per cent at the year-end.

scribes at a rate of two new shares for every 24.75 shares held.

The rights issue has been underwritten by Morgan Grenfell. Brokers to the issue are Cazenove and County NatWest. The bulk of the acquired businesses were bought from Mayville International at a cost of \$98.1m (£50.9m). They include Manville's interests in European refractory ceramic fibres and insulating firebricks.

In 1989 these businesses made operating profits of £7.7m on sales of £23.5m. The unaudited book value of the net assets was £32.6m at the year-end.

Morgan is also buying the US refractory ceramic fibres businesses of Manville Sales Corporation of Danville, Virginia, a US radiation equipment manufacturer, for \$8m (£4.7m); and Laser Diode Products, a US laser systems com-

pany, for \$5.4m (£3.2m). Three other acquisitions in the thermal ceramics field have already been made by Morgan - American Refractories and Crucible Corporation in the US, some businesses from San Sebastian Hermanes in Spain, and a majority interest in Refractor Italia in Italy.

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B&C Merchant Bank taken off list

By David Owen

THE SECURITIES and Investments Board (SIB) yesterday removed British & Commonwealth Merchant Bank from the list of banks where authorised firms can place client money.

The effect of the change is to require firms to take such steps as are open to them to remove investment business client money from the bank and to place no further client money with it.

The move came as British & Commonwealth's chances of staying out of administration and conducting an orderly disposal of assets appeared to be dwindling. What were described as "draught" negotiations with the group's principal bankers were continuing.

It is odds on that the administrators will be in on Monday, according to one individual close to the stricken financial services group. Three banks are not playing ball.

"My feeling is that this thing is lurching inexorably towards administration," said a representative for one of B&C's creditor institutions.

Spokesmen for banks with significant sums on loan to B&C suggested, however, that the group could be using the threat of administration as a negotiating tactic. "It is a stance they have been using for a while," said one. "Negotiations are fraught; they have been fraught for some time."

"We have not worked this hard for this long to let it all fall apart," said another bank representative.

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Money with interest to continue boring Charles Leadbeater on Eurotunnel's global quest for further funds

THIS WEEKEND Mr Alastair Morton, chief executive of Eurotunnel, the Anglo-French Channel tunnel group, fires the starting gun on a financial marathon.

From next week Mr Morton and his senior colleagues will be setting out for six weeks of near-constant negotiations stretching from Tokyo, via Paris, Frankfurt and London to New York, with the project's 200 banks.

Armed with an underwriting agreement, which secures a £500m rights issue planned for October, Eurotunnel will be seeking an extra £20m in loans to cover last year's dramatic increase in construction costs.

Mr Morton will be setting out in confident mood. He believes the three main prongs of the project - the construction, financing and revenue projections for the completed tunnel - are falling into place.

In the past year those three elements have ground against one another like misaligned gears. Spiralling construction costs set off a civil war between Eurotunnel and TML, the consortium of British and French contractors building the tunnel.

The increase in costs from £4.8bn in November 1987 to about £7.5bn threw in doubt Eurotunnel's financial viability. It had only raised about £1.5bn in debt and equity.

The prospects for profits and dividends for Eurotunnel's 500,000 shareholders looked bleak. According to Mr Morton, the project has turned the corner.

A transport project is beginning to emerge from the murky construction work beneath the channel. Estimates of operating costs and traffic flows will become less like distant dreams.

However, it is as rosy as Mr Morton says? Construction. The North American construction managers brought in by Eurotunnel earlier this year, combined with the changes to contracts which mean that the contrac-

tors bear 30 per cent of cost over-runs on the main tunneling work, have produced a two and threefold increase in productivity. Geological conditions are becoming easier and the tunnellers become more experienced.

However 66km of the 150km of tunnels are yet to be bored. Despite the improved performance, the British are still a week behind schedule, with the French three months ahead. There are still doubts about whether construction costs will be restrained.

A memorandum sent out to the banks this weekend noted that other risks may loom larger, principally flooding, fire, ground collapse and accidents. Record progress of 8.5km in April was cut to 6.5km in May largely because of delays caused by accidents.

The terminals at either end of the tunnel are 48 per cent complete, with 88 per cent of the earthworks finished. However a lot of sensitive equipment still has to be commissioned including the signalling system, the central computer control system and the ventilation systems. Commissioning these will be complex, time-consuming and potentially expensive.

Procurement of other items such as rolling stock is on track. More than £500m has been spent in the UK. However there could be significant delays caused by late changes to designs.

The memorandum says there will be little scope for cost reductions on tunnelling. TML is yet to produce detailed plans for co-ordinating sub-contractors. Without these in place, the technical adviser to the banks estimates the tunnel will open in November 1993, four months late. The independent consultants appointed by the UK and French governments believe it will be three months late.

However, the most important additions to costs will come from higher-than-forecast interest rates as Eurotunnel is



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taking on more debt. The project's costs will be even more out of Mr Morton's control than they were during his rows with the contractors.

Financing. Mr Morton is setting out to persuade the banks to increase their loans by 40 per cent to £7bn. At a time when debt finance for management buy-outs has fallen out of favour, will they stump up the money?

They are being offered more attractive terms. Each bank will get a fee equivalent worth 1 per cent of its increased commitment. As Eurotunnel uses more than £20m, an extra fee of 0.25 per cent will be paid. The banks' margins will be increased by one quarter of one point to 1.5 per cent above the London inter-bank offered rate (Libor) for the first £20m and 1.75 per cent for sums between £20m and £5.3bn.

Eurotunnel expects to use only £50m of the loans. But if it dips into the last £700m it will start paying 2.5 per cent above Libor.

In addition the banks are being offered share warrants worth about £200m. Mr Morton says several peripheral banks which are feeling the pinch of lower prof-

its are almost certain to drop out of the syndicate. "It will be tough. It is not just a question of whether they want to put up more funds," Eurotunnel needs a 90 per cent vote among the banks to alter the credit agreement.

Mr Morton believes two factors will work in his favour. Firstly, Morgan Grenfell, the UK merchant bank arranging the finance, is now owned by Deutsche Bank, which should whip the continental banks into line. Second, after three years and several crises, the banks know a lot more about the project and its management than they did at the outset.

Although the project nearly collapsed last year there never was any doubt that it would go ahead," says Mr Morton. "What was in doubt was whether it would go ahead with the original shareholders. By the autumn we will have drawn on £1.5bn of loans, with another £50m at our disposal. The tunnel will be built with its original backers."

The banks will be locked into the project rather like a gaggle of holidaymakers strapped into the cars of a roller coaster.

£79m rights to fund Crucible buys

By John Thornhill

MORGAN CRUCIBLE, the industrial materials and electronics company, has announced a number of acquisitions expanding its presence in the thermal ceramics and electronics industries in Europe and the US.

The total cost of these acquisitions amounts to £81.4m, which will be financed largely by way of a £78.9m rights issue.

The businesses will strengthen Morgan's leadership in the world crucible market and enhance its position as a ceramic fibre and insulating firebrick producer.

"We think it's a good deal," said Mr Bruce Farmer, managing director. The two-for-one rights issue will be priced at 24.5p per share. This compares with Morgan's current share price of 29.5p, down 5p on the day. Morgan's convertible preference shareholders can also sub-

scribe at a rate of two new shares for every 24.75 shares held.

The rights issue has been underwritten by Morgan Grenfell. Brokers to the issue are Cazenove and County NatWest. The bulk of the acquired businesses were bought from Mayville International at a cost of \$98.1m (£50.9m). They include Manville's interests in European refractory ceramic fibres and insulating firebricks.

In 1989 these businesses made operating profits of £7.7m on sales of £23.5m. The unaudited book value of the net assets was £32.6m at the year-end.

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Mr Farmer said Morgan was currently trading well and that its overseas presence should reduce the impact of any downturn in the UK economy. Over 90 per cent of Morgan's sales come from overseas, which will increase to about 85 per cent after this spate of acquisitions.

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ECONOMIC DIARY

TODAY: National congress of the ruling Hungarian Democratic Forum.

TOMORROW: Mr Mikhail Gorbachev, Soviet leader, visits San Francisco. Mr Nelson Mandela begins tour of European countries in Brussels for talks with government leaders. GNS annual conference in Scarborough (until June 7).

MONDAY: UK official reserves (May). Retail sales (April - final). Credit business (April). US productivity and costs (first quarter). Japanese trial continues. Cambodian peace talks in Tokyo (until June 6). International shipping conference in Athens (until June 8).

TUESDAY: Company liquidity survey (first quarter). Organisation of American States annual meeting in Asuncion. Plenary session of the Western European Union in Paris (until June 8). GATT Council reviews Columbian and Swedish trade policy in Geneva (until June 8). CSCE human rights and contacts conference in Copenhagen (until June 8). Building Societies annual conference in Brighton (until June 7).

WEDNESDAY: Advance energy statistics (April). Overseas travel and tourism (March). Details of employment, unemployment, earnings, prices and other indicators. COCOM meets in Paris to review ideas for export of high technology to Eastern Europe (until June 7). International Labour Organisation annual meeting in Geneva (until June 7).

THURSDAY: CBI/FT survey of distributors' sales (May). Manufacturers' investment intentions for 1990 and 1991. Housing starts and completions (April). House innovations (first quarter). US capital spending (first quarter). Mrs Margaret Thatcher, Prime Minister, visits Soviet Union (until June 10). NATO foreign ministers meet in Turin, Scotland (until June 8). European Community environment ministers meet in Luxembourg to discuss measures to restrict carbon dioxide emissions.

FRIDAY: Construction output (first quarter). Czechoslovakia holds first free elections in 40 years. World Cup soccer finals begin.

LONDON TRADED OPTIONS

| Option | CALLS | PUTS | Option | CALLS | PUTS |
|-----------------|----------------------|----------------------|-----------------|----------------------|----------------------|
| Adm Lys. (P499) | 446 47 45 25 5 10 17 | 446 47 45 25 5 10 17 | Unilever (P499) | 450 54 70 100 4 9 12 | 450 54 70 100 4 9 12 |
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| Adm Lys. (P535) | 100 15 15 10 3 6 7 | 100 15 15 10 3 6 7 | Unilever (P535) | 100 15 15 10 3 6 7 | 100 15 15 10 3 6 7 |
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| Adm Lys. (P537) | 100 15 15 10 3 6 7 | 100 15 15 10 3 6 7 | Unilever (P537) | 100 15 15 10 3 6 7 | 100 15 15 10 3 6 7 |
| Adm Lys. (P538) | 100 15 15 10 3 6 7 | 100 15 15 10 3 6 7 | Unilever (P538) | 100 15 15 10 3 6 7 | 100 15 15 10 3 6 7 |
| Adm Lys. (P539) | 100 15 15 10 3 6 7 | 100 15 15 10 3 6 7 | Unilever (P539) | 100 15 15 10 3 6 7 | 100 15 15 10 3 6 7 |
| Adm Lys. (P540) | 100 15 15 10 3 6 7 | 100 15 15 10 3 6 7 | Unilever (P540) | 100 15 15 10 3 6 7 | 100 15 15 10 3 6 7 |
| Adm Lys. (P541) | 100 15 15 10 3 6 7 | 100 15 15 10 3 6 7 | Unilever (P541) | 100 15 15 10 3 6 7 | 100 15 15 10 3 6 7 |
| Adm Lys. (P542) | 100 15 15 10 3 6 7 | 100 15 15 10 3 6 7 | Unilever (P542) | 100 15 15 10 3 6 7 | 100 15 15 10 3 6 7 |
| Adm Lys. (P543) | 100 15 15 10 3 6 7 | 100 15 15 10 3 6 7 | Unilever (P543) | 100 15 15 10 3 6 7 | 100 15 15 10 3 6 7 |
| Adm Lys. (P544) | 100 15 15 10 3 6 7 | 100 15 15 10 3 6 7 | Unilever (P544) | 100 15 15 10 3 6 7 | 100 15 15 10 3 6 7 |
| Adm Lys. (P545) | 100 15 15 10 3 6 7 | 100 15 15 10 3 6 7 | Unilever (P545) | 100 15 15 10 3 6 7 | 100 15 15 10 3 6 7 |
| Adm Lys. (P546) | 100 15 15 10 3 6 7 | 100 15 15 10 3 6 7 | Unilever (P546) | 100 15 15 10 3 6 7 | 100 15 15 10 3 6 7 |
| Adm Lys. (P547) | 100 15 15 10 3 6 7 | 100 15 15 10 3 6 7 | Unilever (P547) | 100 15 15 10 3 6 7 | 100 15 15 10 3 6 7 |
| Adm Lys. (P548) | 100 15 15 10 3 6 7 | 100 15 15 10 3 6 7 | Unilever (P548) | 100 15 15 10 3 6 7 | 100 15 15 10 3 6 7 |
| Adm Lys. (P549) | 100 15 15 10 3 6 7 | 100 15 15 10 3 6 7 | Unilever (P549) | 100 15 15 10 3 6 7 | 100 15 15 10 3 6 7 |
| Adm Lys. (P550) | 100 15 15 10 3 6 7 | 100 15 15 10 3 6 7 | Unilever (P550) | 100 15 15 10 3 6 7 | 100 15 15 10 3 6 7 |
| Adm Lys. (P551) | 100 15 15 10 3 6 7 | 100 15 15 10 3 6 7 | Unilever (P551) | 100 15 15 10 3 6 7 | 100 15 15 10 3 6 7 |
| Adm Lys. (P552) | 100 15 15 10 3 6 7 | 100 15 15 10 3 6 7 | Unilever (P552) | 100 15 15 10 3 6 7 | 100 15 15 10 3 6 7 |
| Adm Lys. (P553) | 100 15 15 10 3 6 7 | 100 15 15 10 3 6 7 | Unilever (P553) | 100 15 15 10 3 6 7 | 100 15 15 10 3 6 7 |
| Adm Lys. (P554) | 100 15 15 10 3 6 7 | 100 15 15 10 3 6 7 | Unilever (P554) | 100 15 15 10 3 6 7 | 100 15 15 10 3 6 7 |
| Adm Lys. (P555) | 100 15 15 10 3 6 7 | 100 15 15 10 3 6 7 | Unilever (P555) | 100 15 15 10 3 6 7 | 100 15 15 10 3 6 7 |
| Adm Lys. (P556) | 100 15 15 10 3 6 7 | 100 15 15 10 3 6 7 | Unilever (P556) | 100 15 15 10 3 6 7 | 100 15 15 10 3 6 7 |
| Adm Lys. (P557) | 100 15 15 10 3 6 7 | 100 15 15 10 3 6 7 | Unilever (P557) | 100 15 15 10 3 6 7 | 100 15 15 10 3 6 7 |
| Adm Lys. (P558) | 100 15 15 10 3 6 7 | 100 15 15 10 3 6 7 | Unilever (P558) | 100 15 15 10 3 6 7 | 100 15 15 10 3 6 7 |
| Adm Lys. (P559) | 100 15 15 10 3 6 7 | 100 15 15 10 3 6 7 | Unilever (P559) | 100 15 15 10 3 6 7 | 100 15 15 10 3 6 7 |
| Adm Lys. (P560) | 100 15 15 10 3 6 7 | 100 15 15 10 3 6 7 | Unilever (P560) | 100 15 15 10 3 6 7 | 100 15 15 10 3 6 7 |
| Adm Lys. (P561) | 100 15 15 10 3 6 7 | 100 15 15 10 3 6 7 | Unilever (P561) | 100 15 15 10 3 6 7 | 100 15 15 10 3 6 7 |
| Adm Lys. (P562) | 100 15 15 10 3 6 7 | 100 15 15 10 3 6 7 | Unilever (P562) | 100 15 15 10 3 6 7 | 100 15 15 10 3 6 7 |
| Adm Lys. (P563) | 100 15 15 10 3 6 7 | 100 15 15 10 3 6 7 | Unilever (P563) | 100 15 15 10 3 6 7 | 100 15 15 10 3 6 7 |
| Adm Lys. (P564) | 100 15 15 10 3 6 7 | 100 15 15 10 3 6 7 | Unilever (P564) | 100 15 15 10 3 6 7 | 100 15 15 10 3 6 7 |
| Adm Lys. (P565) | 100 15 15 10 3 6 7 | 100 15 15 10 3 6 7 | Unilever (P565) | 100 15 15 10 3 6 7 | 100 15 15 10 3 6 7 |
| Adm Lys. (P566) | 100 15 15 10 3 6 7 | 100 15 15 10 3 6 7 | Unilever (P566) | 100 15 15 10 3 6 7 | 100 15 15 10 3 6 7 |
| Adm Lys. (P567) | 100 15 15 10 3 6 7 | 100 15 15 10 3 6 7 | Unilever (P567) | 100 15 15 10 3 6 7 | 100 15 15 10 3 6 7 |
| Adm Lys. (P568) | 100 15 15 10 3 6 7 | 100 15 15 10 3 6 7 | Unilever (P568) | 100 15 15 10 3 6 7 | 100 15 15 10 3 6 7 |
| Adm Lys. (P569) | 100 15 15 10 3 6 7 | 100 15 15 10 3 6 7 | Unilever (P569) | 100 15 15 10 3 6 7 | 100 15 15 10 3 6 7 |
| Adm Lys. (P570) | 100 15 15 10 3 6 7 | 100 15 15 10 3 6 7 | Unilever (P570) | 100 15 15 10 3 6 7 | 100 15 15 10 3 6 7 |
| Adm Lys. (P571) | 100 15 15 10 3 6 7 | 100 15 15 10 3 6 7 | Unilever (P571) | 100 15 15 10 3 6 7 | 100 15 15 10 3 6 7 |
| Adm Lys. (P572) | 100 15 15 10 3 6 7 | 100 15 15 10 3 6 7 | Unilever (P572) | 100 15 15 10 3 6 7 | 100 15 15 10 3 6 7 |
| Adm Lys. (P573) | 100 15 15 10 3 6 7 | 100 15 15 10 3 6 7 | Unilever (P573) | 100 15 15 10 3 6 7 | 100 15 15 10 3 6 7 |
| Adm Lys. (P574) | 100 15 15 10 3 6 7 | 100 15 15 10 3 6 7 | Unilever (P574) | 100 15 15 10 3 6 7 | 100 15 15 10 3 6 7 |
| Adm Lys. (P575) | 100 15 15 10 3 6 7 | 100 15 15 10 3 6 7 | Unilever (P575) | 100 15 15 10 3 6 7 | 100 15 15 10 3 6 7 |
| Adm Lys. (P576) | 100 15 15 10 3 6 7 | 100 15 15 10 3 6 7 | Unilever (P576) | 100 15 15 10 3 6 7 | 100 15 15 10 3 6 7 |
| Adm Lys. (P577) | 100 15 15 10 3 6 7 | 100 15 15 10 3 6 7 | Unilever (P577) | 100 15 15 10 3 6 7 | 100 15 15 10 3 6 7 |
| Adm Lys. (P578) | 100 15 15 10 3 6 7 | 100 15 15 10 3 6 7 | Unilever (P578) | 100 15 15 10 3 6 7 | 100 15 15 10 3 6 7 |
| Adm Lys. (P579) | 100 15 15 10 3 6 7 | 100 15 15 10 3 6 7 | Unilever (P579) | 100 15 15 10 3 6 7 | 100 15 15 10 3 6 7 |
| Adm Lys. (P580) | 100 15 15 10 3 6 7 | 100 15 15 10 3 6 7 | Unilever (P580) | 100 15 15 10 3 6 7 | 100 15 15 10 3 6 7 |
| Adm Lys. (P581) | 100 15 15 10 3 6 7 | 100 15 15 10 3 6 7 | Unilever (P581) | 100 15 15 10 3 6 7 | 100 15 15 10 3 6 7 |
| Adm Lys. (P582) | 100 15 15 10 3 6 7 | 100 15 15 10 3 6 7 | Unilever (P582) | 100 15 15 10 3 6 7 | 100 15 15 10 3 6 7 |
| Adm Lys. (P583) | 100 15 15 10 3 6 7 | 100 15 15 10 3 6 7 | Unilever (P583) | 100 15 15 10 3 6 7 | 100 15 15 10 3 6 7 |
| Adm Lys. (P584) | 100 15 15 10 3 6 7 | 100 15 15 10 3 6 7 | Unilever (P584) | 100 15 15 10 3 6 7 | 100 15 15 10 3 6 7 |
| Adm Lys. (P585) | 100 15 15 10 3 6 7 | 100 15 15 10 3 6 7 | Unilever (P585) | 100 15 15 10 3 6 7 | 100 15 15 10 3 6 7 |
| Adm Lys. (P586) | 100 15 15 10 3 6 7 | 100 15 15 10 3 6 7 | Unilever (P586) | 100 15 15 10 3 6 7 | 100 15 15 10 3 6 7 |
| Adm Lys. (P587) | 100 15 15 10 3 6 7 | 100 15 15 10 3 6 7 | Unilever (P587) | 100 15 15 10 3 6 7 | 100 15 15 10 3 6 7 |
| Adm Lys. (P588) | 100 15 15 10 3 6 7 | 100 15 15 10 3 6 7 | Unilever (P588) | 100 15 15 10 3 6 7 | 100 15 15 10 3 6 7 |
| Adm Lys. (P589) | 100 15 15 10 3 6 7 | 100 15 15 10 3 6 7 | Unilever (P589) | 100 15 15 10 3 6 7 | 100 15 15 10 3 6 7 |
| Adm Lys. (P590) | 100 15 15 10 3 6 7 | 100 15 15 10 3 6 7 | Unilever (P590) | 100 15 15 10 3 6 7 | 100 |

CURRENCIES, MONEY AND CAPITAL MARKETS

FOREIGN EXCHANGES

Dollar rallies despite data

THE DOLLAR fell on news of surprisingly weak May US employment data, but finished in London well above the day's lows and higher than a major technical support point of DM1.6825. The D-Mark itself was depressed, on continuing worries about the implications of German monetary union as well as nervousness caused by negotiations between the US and the Soviet Union over a united Germany's membership of Nato.

A rise of about 230,000 was expected in US non-farm payrolls, but the increase was only 164,000, and was a mere 17,000 if temporary workers are deducted from the calculations. This pushed the dollar down to a low of DM1.6800, before a strong performance by US Treasury bonds - on speculation about a possible cut in interest rates - helped restore confidence.

The dollar's rally was also encouraged by a figure of 50.7 for the US National Association

of Purchasing Managers May index. This was the second month running that the reading was above 50, suggesting that the economy is generally expanding.

At the London close the dollar had fallen to DM1.6830 from DM1.6890, to FFfrs.7150 from FFfrs.7300, and to Y151.20 from Y152.60, while rising to SFfr1.4355 from SFfr1.4325. According to the Bank of England the dollar's index fell to 67.5 from 67.8.

The D-Mark lost ground to a buoyant Japanese yen.

The demand for the yen has increased on uncertainty about the political situation in central and eastern Europe, as well as disappointment at the recent performance of the US economy. The D-Mark fell to Y152.55 from Y153.80, but was a little stronger within the European Monetary System, rising at the London close to Y156.40 from Y155.60 against the Italian lira and to FFfrs.3755 from FFfrs.3725 in terms of the

French franc

Central banks were forced to intervene as the lira threatened to burst through its maximum 2% per cent divergence limit against the weakest placed French franc in the EMS. The Bank of Italy bought FFfrs.368 in Milan as the franc was fixed at its floor of L218.15. It finished in London at L218.15. The Italian central bank also bought DM72m.

In Paris the Bank of France bought francs against the lira, but on a much smaller scale than the Bank of Italy. The Spanish peseta was strong, touching its 6 per cent limit against the French franc. This prompted sales of pesetas by the Bank of Spain.

Sterling was on the sidelines, lacking fresh factors. The pound rose 1/2 cent to \$1.6845 and also advanced to DM2.8525 from DM2.8500, to FFfrs.6275 from FFfrs.6100, and to SFfr2.4175 from SFfr2.4025, but fell to Y254.75 from Y254.00. Its index climbed 0.1 to 89.1.

FINANCIAL FUTURES AND OPTIONS

| LIFE LINE ONLY FUTURES OPTIONS | | | |
|--------------------------------|------|------|--------|
| Strike | Call | Put | Settle |
| 100 | 1.40 | 1.40 | 1.40 |
| 105 | 1.40 | 1.40 | 1.40 |
| 110 | 1.40 | 1.40 | 1.40 |
| 115 | 1.40 | 1.40 | 1.40 |
| 120 | 1.40 | 1.40 | 1.40 |
| 125 | 1.40 | 1.40 | 1.40 |
| 130 | 1.40 | 1.40 | 1.40 |
| 135 | 1.40 | 1.40 | 1.40 |
| 140 | 1.40 | 1.40 | 1.40 |
| 145 | 1.40 | 1.40 | 1.40 |
| 150 | 1.40 | 1.40 | 1.40 |
| 155 | 1.40 | 1.40 | 1.40 |
| 160 | 1.40 | 1.40 | 1.40 |
| 165 | 1.40 | 1.40 | 1.40 |
| 170 | 1.40 | 1.40 | 1.40 |
| 175 | 1.40 | 1.40 | 1.40 |
| 180 | 1.40 | 1.40 | 1.40 |
| 185 | 1.40 | 1.40 | 1.40 |
| 190 | 1.40 | 1.40 | 1.40 |
| 195 | 1.40 | 1.40 | 1.40 |
| 200 | 1.40 | 1.40 | 1.40 |
| 205 | 1.40 | 1.40 | 1.40 |
| 210 | 1.40 | 1.40 | 1.40 |
| 215 | 1.40 | 1.40 | 1.40 |
| 220 | 1.40 | 1.40 | 1.40 |
| 225 | 1.40 | 1.40 | 1.40 |
| 230 | 1.40 | 1.40 | 1.40 |
| 235 | 1.40 | 1.40 | 1.40 |
| 240 | 1.40 | 1.40 | 1.40 |
| 245 | 1.40 | 1.40 | 1.40 |
| 250 | 1.40 | 1.40 | 1.40 |
| 255 | 1.40 | 1.40 | 1.40 |
| 260 | 1.40 | 1.40 | 1.40 |
| 265 | 1.40 | 1.40 | 1.40 |
| 270 | 1.40 | 1.40 | 1.40 |
| 275 | 1.40 | 1.40 | 1.40 |
| 280 | 1.40 | 1.40 | 1.40 |
| 285 | 1.40 | 1.40 | 1.40 |
| 290 | 1.40 | 1.40 | 1.40 |
| 295 | 1.40 | 1.40 | 1.40 |
| 300 | 1.40 | 1.40 | 1.40 |
| 305 | 1.40 | 1.40 | 1.40 |
| 310 | 1.40 | 1.40 | 1.40 |
| 315 | 1.40 | 1.40 | 1.40 |
| 320 | 1.40 | 1.40 | 1.40 |
| 325 | 1.40 | 1.40 | 1.40 |
| 330 | 1.40 | 1.40 | 1.40 |
| 335 | 1.40 | 1.40 | 1.40 |
| 340 | 1.40 | 1.40 | 1.40 |
| 345 | 1.40 | 1.40 | 1.40 |
| 350 | 1.40 | 1.40 | 1.40 |
| 355 | 1.40 | 1.40 | 1.40 |
| 360 | 1.40 | 1.40 | 1.40 |
| 365 | 1.40 | 1.40 | 1.40 |
| 370 | 1.40 | 1.40 | 1.40 |
| 375 | 1.40 | 1.40 | 1.40 |
| 380 | 1.40 | 1.40 | 1.40 |
| 385 | 1.40 | 1.40 | 1.40 |
| 390 | 1.40 | 1.40 | 1.40 |
| 395 | 1.40 | 1.40 | 1.40 |
| 400 | 1.40 | 1.40 | 1.40 |
| 405 | 1.40 | 1.40 | 1.40 |
| 410 | 1.40 | 1.40 | 1.40 |
| 415 | 1.40 | 1.40 | 1.40 |
| 420 | 1.40 | 1.40 | 1.40 |
| 425 | 1.40 | 1.40 | 1.40 |
| 430 | 1.40 | 1.40 | 1.40 |
| 435 | 1.40 | 1.40 | 1.40 |
| 440 | 1.40 | 1.40 | 1.40 |
| 445 | 1.40 | 1.40 | 1.40 |
| 450 | 1.40 | 1.40 | 1.40 |
| 455 | 1.40 | 1.40 | 1.40 |
| 460 | 1.40 | 1.40 | 1.40 |
| 465 | 1.40 | 1.40 | 1.40 |
| 470 | 1.40 | 1.40 | 1.40 |
| 475 | 1.40 | 1.40 | 1.40 |
| 480 | 1.40 | 1.40 | 1.40 |
| 485 | 1.40 | 1.40 | 1.40 |
| 490 | 1.40 | 1.40 | 1.40 |
| 495 | 1.40 | 1.40 | 1.40 |
| 500 | 1.40 | 1.40 | 1.40 |
| 505 | 1.40 | 1.40 | 1.40 |
| 510 | 1.40 | 1.40 | 1.40 |
| 515 | 1.40 | 1.40 | 1.40 |
| 520 | 1.40 | 1.40 | 1.40 |
| 525 | 1.40 | 1.40 | 1.40 |
| 530 | 1.40 | 1.40 | 1.40 |
| 535 | 1.40 | 1.40 | 1.40 |
| 540 | 1.40 | 1.40 | 1.40 |
| 545 | 1.40 | 1.40 | 1.40 |
| 550 | 1.40 | 1.40 | 1.40 |
| 555 | 1.40 | 1.40 | 1.40 |
| 560 | 1.40 | 1.40 | 1.40 |
| 565 | 1.40 | 1.40 | 1.40 |
| 570 | 1.40 | 1.40 | 1.40 |
| 575 | 1.40 | 1.40 | 1.40 |
| 580 | 1.40 | 1.40 | 1.40 |
| 585 | 1.40 | 1.40 | 1.40 |
| 590 | 1.40 | 1.40 | 1.40 |
| 595 | 1.40 | 1.40 | 1.40 |
| 600 | 1.40 | 1.40 | 1.40 |
| 605 | 1.40 | 1.40 | 1.40 |
| 610 | 1.40 | 1.40 | 1.40 |
| 615 | 1.40 | 1.40 | 1.40 |
| 620 | 1.40 | 1.40 | 1.40 |
| 625 | 1.40 | 1.40 | 1.40 |
| 630 | 1.40 | 1.40 | 1.40 |
| 635 | 1.40 | 1.40 | 1.40 |
| 640 | 1.40 | 1.40 | 1.40 |
| 645 | 1.40 | 1.40 | 1.40 |
| 650 | 1.40 | 1.40 | 1.40 |
| 655 | 1.40 | 1.40 | 1.40 |
| 660 | 1.40 | 1.40 | 1.40 |
| 665 | 1.40 | 1.40 | 1.40 |
| 670 | 1.40 | 1.40 | 1.40 |
| 675 | 1.40 | 1.40 | 1.40 |
| 680 | 1.40 | 1.40 | 1.40 |
| 685 | 1.40 | 1.40 | 1.40 |
| 690 | 1.40 | 1.40 | 1.40 |
| 695 | 1.40 | 1.40 | 1.40 |
| 700 | 1.40 | 1.40 | 1.40 |
| 705 | 1.40 | 1.40 | 1.40 |
| 710 | 1.40 | 1.40 | 1.40 |
| 715 | 1.40 | 1.40 | 1.40 |
| 720 | 1.40 | 1.40 | 1.40 |
| 725 | 1.40 | 1.40 | 1.40 |
| 730 | 1.40 | 1.40 | 1.40 |
| 735 | 1.40 | 1.40 | 1.40 |
| 740 | 1.40 | 1.40 | 1.40 |
| 745 | 1.40 | 1.40 | 1.40 |
| 750 | 1.40 | 1.40 | 1.40 |
| 755 | 1.40 | 1.40 | 1.40 |
| 760 | 1.40 | 1.40 | 1.40 |
| 765 | 1.40 | 1.40 | 1.40 |
| 770 | 1.40 | 1.40 | 1.40 |
| 775 | 1.40 | 1.40 | 1.40 |
| 780 | 1.40 | 1.40 | 1.40 |
| 785 | 1.40 | 1.40 | 1.40 |
| 790 | 1.40 | 1.40 | 1.40 |
| 795 | 1.40 | 1.40 | 1.40 |
| 800 | 1.40 | 1.40 | 1.40 |
| 805 | 1.40 | 1.40 | 1.40 |
| 810 | 1.40 | 1.40 | 1.40 |
| 815 | 1.40 | 1.40 | 1.40 |
| 820 | 1.40 | 1.40 | 1.40 |
| 825 | 1.40 | 1.40 | 1.40 |
| 830 | 1.40 | 1.40 | 1.40 |
| 835 | 1.40 | 1.40 | 1.40 |
| 840 | 1.40 | 1.40 | 1.40 |
| 845 | 1.40 | 1.40 | 1.40 |
| 850 | 1.40 | 1.40 | 1.40 |
| 855 | 1.40 | 1.40 | 1.40 |
| 860 | 1.40 | 1.40 | 1.40 |
| 865 | 1.40 | 1.40 | 1.40 |
| 870 | 1.40 | 1.40 | 1.40 |
| 875 | 1.40 | 1.40 | 1.40 |
| 880 | 1.40 | 1.40 | 1.40 |
| 885 | 1.40 | 1.40 | 1.40 |
| 890 | 1.40 | 1.40 | 1.40 |
| 895 | 1.40 | 1.40 | 1.40 |
| 900 | 1.40 | 1.40 | 1.40 |
| 905 | 1.40 | 1.40 | 1.40 |
| 910 | 1.40 | 1.40 | 1.40 |
| 915 | 1.40 | 1.40 | 1.40 |
| 920 | 1.40 | 1.40 | 1.40 |
| 925 | 1.40 | 1.40 | 1.40 |
| 930 | 1.40 | 1.40 | 1.40 |
| 935 | 1.40 | 1.40 | 1.40 |
| 940 | 1.40 | 1.40 | 1.40 |
| 945 | 1.40 | 1.40 | 1.40 |
| 950 | 1.40 | 1.40 | 1.40 |
| 955 | 1.40 | 1.40 | 1.40 |
| 960 | 1.40 | 1.40 | 1.40 |
| 965 | 1.40 | 1.40 | 1.40 |
| 970 | 1.40 | 1.40 | 1.40 |
| 975 | 1.40 | 1.40 | 1.40 |
| 980 | 1.40 | 1.40 | 1.40 |
| 985 | 1.40 | 1.40 | 1.40 |
| 990 | 1.40 | 1.40 | 1.40 |
| 995 | 1.40 | 1.40 | 1.40 |
| 1000 | 1.40 | 1.40 | 1.40 |

| LIFE LINE ONLY FUTURES OPTIONS | | | | |
|--------------------------------|--------|--------|--------|--------|
| \$100,000 64ths @ 100% | | | | |
| Strike | Call | Put | Settle | Settle |
| Price | Settle | Settle | Settle | Settle |
| 91 | 3.37 | 4.05 | 0.35 | 1.21 |
| 92 | 2.93 | 3.28 | 0.51 | 1.44 |
| 93 | 2.09 | 2.56 | 1.07 | 2.46 |
| 94 | 1.37 | 2.04 | 1.35 | 2.40 |
| 95 | 1.07 | 1.48 | 1.05 | 2.18 |
| 96 | 0.98 | 1.26 | 2.48 | 3.42 |
| 97 | 0.94 | 1.15 | 3.32 | 4.31 |
| 98 | 0.22 | | 4.20 | |

LONDON STOCK EXCHANGE

Equities advance sharply on the week

AN EXCITING week in the UK equity market was rounded off yesterday with another sharp rise in share prices as market-makers and institutions were drawn into a market whose strength caught many of them unaware. A strong opening to the new Wall Street session provided the final spur for a UK stockmarket also encouraged by firmness in sterling and in UK Government bond prices.

The market closed more than 26 FT-SE points up, having reversed an earlier fall of 12 points as market-makers again found that many UK institutions, far from being willing to sell shares, were still

Account Opening Dates

| First Opening | May 14 | May 29 | Jun 11 |
|-----------------|--------|--------|--------|
| Option Dealings | May 14 | May 29 | Jun 11 |
| First Opening | May 14 | May 29 | Jun 11 |
| Option Dealings | May 14 | May 29 | Jun 11 |

Account Opening Dates

| First Opening | May 14 | May 29 | Jun 11 |
|-----------------|--------|--------|--------|
| Option Dealings | May 14 | May 29 | Jun 11 |
| First Opening | May 14 | May 29 | Jun 11 |
| Option Dealings | May 14 | May 29 | Jun 11 |

market continued to play a significant role. Late dealings in London were unsettled for a time when Wall Street appeared to be struggling with the Dow 2,900 mark, but aggressive buying of the Footsie June future towards the close gave the underlying equity market a final boost and shares closed at the best of the day.

The FT-SE index closed 26.3 points up at 2,371.4, making a gain of 105.8 points or 4.5 per cent over a week. Forwardness by the closure of the London market on Monday for the Spring Bank Holiday. Sea volume rose to 469.3m shares from Thursday's 465.2m. After a

slow return from the Bank Holiday, equity turnover has gathered pace this week, with the latest International Stock Exchange data disclosing that daily volume is edging above 400m once again.

Yesterday's session started nervously, with the market shedding 12.4 points as BAT Industries weakened on the effects of the share quotation of Wiggins Teape Application, formerly BAT's paper industry interests. But a sharp gain in the Footsie future imposed another squeeze on market-maker positions and the index gained 17 points. There was a pause as Wall Street opened, but with the Dow 14.84

ahead in London hours, the UK market renewed its advance.

Traders pointed to the bullish implications of another opportunistic rights issue, this time for £78.9m by Morgan Crucible. Bank Organisation satisfied the market's longest-running bid story with its offer of around £500m for Mecca Leisure.

There were signs late yesterday that some Continental institutions, which had moved into the UK market at an early stage of the present bull run, were beginning to take profits. However, several market-makers, still short of stock, were willing to take the shares on their trading books.

All-paper bid for Mecca

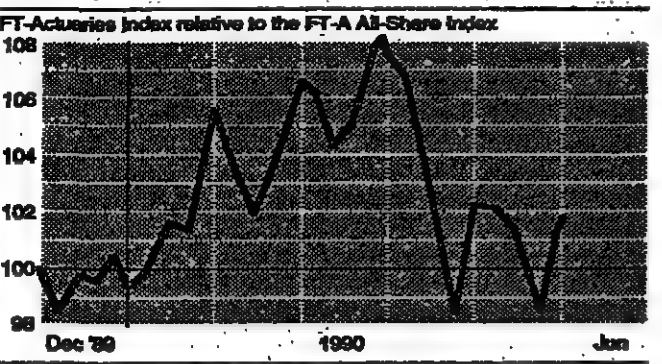
RANK Organisation's long-forecast bid for Mecca Leisure predictably sent the former's shares lower and the latter's higher. Turnover was good, indicating that traders and investors were prepared to bet on a variety of outcomes.

Rank offered all-paper terms of 50p in new Rank shares for each Mecca share and 75p in new Rank convertible preference shares for each Mecca convertible preference share. Those prices were slightly lower after the day's share price changes, which made the offer worth £500m.

Obstacles

One analyst said that if the deal went ahead at that price "it would be one of the cheapest takeovers of all time: it is the rise in the share price that was good, indicating that traders and investors were prepared to bet on a variety of outcomes. Rank offered all-paper terms of 50p in new Rank shares for each Mecca share and 75p in new Rank convertible preference shares for each Mecca convertible preference share. Those prices were slightly lower after the day's share price changes, which made the offer worth £500m.

Banks



tions were unlikely to move quickly on the offer and would be keen to see at least a cash alternative. Rank recovered after an early low of 77.5p to close at 80.5p, still a net decline of 15. Mecca added 3.5p, rising to 87.4p. Turnover was 2.4m and 11m respectively.

Wiggins Teape Application, close at 80.5p, still a net decline of 15. Mecca added 3.5p, rising to 87.4p. Turnover was 2.4m and 11m respectively.

NEW HIGHS AND LOWS FOR 1990

| NEW HIGHS | NEW LOWS |
|-------------------------|-------------------------|
| ADRIAN GROUP (1) 100.00 | ADRIAN GROUP (1) 100.00 |
| ADRIAN GROUP (1) 100.00 | ADRIAN GROUP (1) 100.00 |
| ADRIAN GROUP (1) 100.00 | ADRIAN GROUP (1) 100.00 |

RISES AND FALLS

| Rises | Falls | Same |
|-------|-------|------|
| 100 | 100 | 100 |
| 100 | 100 | 100 |
| 100 | 100 | 100 |

newly demerged from BAT Industries, began a busy day's trading above most analysts' expectations. But having peaked early at 215.4p, compared with analysts' guide price of 200p, it spent the rest of the session in slow decline to end at 210.4p.

Turnover reached 36m shares and followed the stock expect a similar volume on Monday, when US investors who held BAT's American depositary receipts can dispose of their Wiggins holdings.

BAT shares recorded a fall of 67 on Seaq screens to 65.5p. Analysts said that the demerger should have subtracted 70p from the price and that BAT's share price was therefore 3.5p up, ex-Wiggins. Turnover was an unexpected 1.7m shares.

Renewed hints of an impending bid in the banking sector kept share prices moving ahead, although traders were cautious about the market's ability to sustain the gains. The FT-SE index closed 26.3 points up at 2,371.4, making a gain of 105.8 points or 4.5 per cent over a week.

Life insurers retained the lead in the session, with Prudential moving up to 23p despite unimpressive comments this week from several brokerage sources.

Brewery stocks staged a strong run late in the session on the belief that the cash

obtained by institutions from the sale of Guinness shares to LVMH, announced on Thursday, would find its way back into the sector, especially into Allied Lyons.

There was a suggestion that a perennial stock shortage exaggerated the rise and there were even suggestions that a price-sensitive story, possibly even a bid for Allied, had been leaked to the Sunday press. Allied climbed 35 to 50.5p, while Bass rose to 110.6p. Grand Metropolitan advanced 19 to 68.5p and Scottish & Newcastle closed 11 to the good at 34.0p. Trading in Allied and Bass was particularly good, with 3.5m and 4m shares changing hands respectively.

Investment recommendations in the wake of Wednesday's preliminary statement pushed Dunhill Holdings 8 higher to 42.4p. BZW said the company was confirmed in its optimism with another excellent set of figures and the shares were still cheap in comparison with other luxury goods companies. County NatWest took a similar view, stating: "For the longer term Dunhill is excellent value."

Nomura Europe thought the premium rating well justified with "any speculative potential once again in for free."

A buy circular from Schroder Securities continued to help the share price, the office equipment distributor, taking the shares up to 12.5p ahead of preliminary results due next Wednesday. Selling has been overdone since the board warned that profits would not be far from last year's £15m, Schroders maintain.

The Iberia offer for eight A321 aircraft plus additional options was more good news for British Aerospace, 9 higher

FINANCIAL TIMES STOCK INDICES

| | June 1 | May 31 | May 30 | May 29 | May 28 | May 27 | May 26 | May 25 | May 24 | May 23 | May 22 | May 21 | May 20 | May 19 | May 18 | May 17 | May 16 | May 15 | May 14 | May 13 | May 12 | May 11 | May 10 | May 9 | May 8 | May 7 | May 6 | May 5 | May 4 | May 3 | May 2 | May 1 | May 31 | May 30 | May 29 | May 28 | May 27 | May 26 | May 25 | May 24 | May 23 | May 22 | May 21 | May 20 | May 19 | May 18 | May 17 | May 16 | May 15 | May 14 | May 13 | May 12 | May 11 | May 10 | May 9 | May 8 | May 7 | May 6 | May 5 | May 4 | May 3 | May 2 | May 1 | May 31 | May 30 | May 29 | May 28 | May 27 | May 26 | May 25 | May 24 | May 23 | May 22 | May 21 | May 20 | May 19 | May 18 | May 17 | May 16 | May 15 | May 14 | May 13 | May 12 | May 11 | May 10 | May 9 | May 8 | May 7 | May 6 | May 5 | May 4 | May 3 | May 2 | May 1 | May 31 | May 30 | May 29 | May 28 | May 27 | May 26 | May 25 | May 24 | May 23 | May 22 | May 21 | May 20 | May 19 | May 18 | May 17 | May 16 | May 15 | May 14 | May 13 | May 12 | May 11 | May 10 | May 9 | May 8 | May 7 | May 6 | May 5 | May 4 | May 3 | May 2 | May 1 | May 31 | May 30 | May 29 | May 28 | May 27 | May 26 | May 25 | May 24 | May 23 | May 22 | May 21 | May 20 | May 19 | May 18 | May 17 | May 16 | May 15 | May 14 | May 13 | May 12 | May 11 | May 10 | May 9 | May 8 | May 7 | May 6 | May 5 | May 4 | May 3 | May 2 | May 1 | May 31 | May 30 | May 29 | May 28 | May 27 | May 26 | May 25 | May 24 | May 23 | May 22 | May 21 | May 20 | May 19 | May 18 | May 17 | May 16 | May 15 | May 14 | May 13 | May 12 | May 11 | May 10 | May 9 | May 8 | May 7 | May 6 | May 5 | May 4 | May 3 | May 2 | May 1 | May 31 | May 30 | May 29 | May 28 | May 27 | May 26 | May 25 | May 24 | May 23 | May 22 | May 21 | May 20 | May 19 | May 18 | May 17 | May 16 | May 15 | May 14 | May 13 | May 12 | May 11 | May 10 | May 9 | May 8 | May 7 | May 6 | May 5 | May 4 | May 3 | May 2 | May 1 | May 31 | May 30 | May 29 | May 28 | May 27 | May 26 | May 25 | May 24 | May 23 | May 22 | May 21 | May 20 | May 19 | May 18 | May 17 | May 16 | May 15 | May 14 | May 13 | May 12 | May 11 | May 10 | May 9 | May 8 | May 7 | May 6 | May 5 | May 4 | May 3 | May 2 | May 1 | May 31 | May 30 | May 29 | May 28 | May 27 | May 26 | May 25 | May 24 | May 23 | May 22 | May 21 | May 20 | May 19 | May 18 | May 17 | May 16 | May 15 | May 14 | May 13 | May 12 | May 11 | May 10 | May 9 | May 8 | May 7 | May 6 | May 5 | May 4 | May 3 | May 2 | May 1 | May 31 | May 30 | May 29 | May 28 | May 27 | May 26 | May 25 | May 24 | May 23 | May 22 | May 21 | May 20 | May 19 | May 18 | May 17 | May 16 | May 15 | May 14 | May 13 | May 12 | May 11 | May 10 | May 9 | May 8 | May 7 | May 6 | May 5 | May 4 | May 3 | May 2 | May 1 | May 31 | May 30 | May 29 | May 28 | May 27 | May 26 | May 25 | May 24 | May 23 | May 22 | May 21 | May 20 | May 19 | May 18 | May 17 | May 16 | May 15 | May 14 | May 13 | May 12 | May 11 | May 10 | May 9 | May 8 | May 7 | May 6 | May 5 | May 4 | May 3 | May 2 | May 1 | May 31 | May 30 | May 29 | May 28 | May 27 | May 26 | May 25 | May 24 | May 23 | May 22 | May 21 | May 20 | May 19 | May 18 | May 17 | May 16 | May 15 | May 14 | May 13 | May 12 | May 11 | May 10 | May 9 | May 8 | May 7 | May 6 | May 5 | May 4 | May 3 | May 2 | May 1 | May 31 | May 30 | May 29 | May 28 | May 27 | May 26 | May 25 | May 24 | May 23 | May 22 | May 21 | May 20 | May 19 | May 18 | May 17 | May 16 | May 15 | May 14 | May 13 | May 12 | May 11 | May 10 | May 9 | May 8 | May 7 | May 6 | May 5 | May 4 | May 3 | May 2 | May 1 | May 31 | May 30 | May 29 | May 28 | May 27 | May 26 | May 25 | May 24 | May 23 | May 22 | May 21 | May 20 | May 19 | May 18 | May 17 | May 16 | May 15 | May 14 | May 13 | May 12 | May 11 | May 10 | May 9 | May 8 | May 7 | May 6 | May 5 | May 4 | May 3 | May 2 | May 1 | May 31 | May 30 | May 29 | May 28 | May 27 | May 26 | May 25 | May 24 | May 23 | May 22 | May 21 | May 20 | May 19 | May 18 | May 17 | May 16 | May 15 | May 14 | May 13 | May 12 | May 11 | May 10 | May 9 | May 8 | May 7 | May 6 | May 5 | May 4 | May 3 | May 2 | May 1 | May 31 | May 30 | May 29 | May 28 | May 27 | May 26 | May 25 | May 24 | May 23 | May 22 | May 21 | May 20 | May 19 | May 18 | May 17 | May 16 | May 15 | May 14 | May 13 | May 12 | May 11 | May 10 | May 9 | May 8 | May 7 | May 6 | May 5 | May 4 | May 3 | May 2 | May 1 | May 31 | May 30 | May 29 | May 28 | May 27 | May 26 | May 25 | May 24 | May 23 | May 22 | May 21 | May 20 | May 19 | May 18 | May 17 | May 16 | May 15 | May 14 | May 13 | May 12 | May 11 | May 10 | May 9 | May 8 | May 7 | May 6 | May 5 | May 4 | May 3 | May 2 | May 1 | May 31 | May 30 | May 29 | May 28 | May 27 | May 26 | May 25 | May 24 | May 23 | May 22 | May 21 | May 20 | May 19 | May 18 | May 17 | May 16 | May 15 | May 14 | May 13 | May 12 | May 11 | May 10 | May 9 | May 8 | May 7 | May 6 | May 5 | May 4 | May 3 | May 2 | May 1 | May 31 | May 30 | May 29 | May 28 | May 27 | May 26 | May 25 | May 24 | May 23 | May 22 | May 21 | May 20 | May 19 | May 18 | May 17 | May 16 | May 15 | May 14 | May 13 | May 12 | May 11 | May 10 | May 9 | May 8 | May 7 | May 6 | May 5 | May 4 | May 3 | May 2 | May 1 | May 31 | May 30 | May 29 | May 28 | May 27 | May 26 | May 25 | May 24 | May 23 | May 22 | May 21 | May 20 | May 19 | May 18 | May 17 | May 16 | May 15 | May 14 | May 13 | May 12 | May 11 | May 10 | May 9 | May 8 | May 7 | May 6 | May 5 | May 4 | May 3 | May 2 | May 1 | May 31 | May 30 | May 29 | May 28 | May 27 | May 26 | May 25 | May 24 | May 23 | May 22 | May 21 | May 20 | May 19 | May 18 | May 17 | May 16 | May 15 | May 14 | May 13 | May 12 | May 11 | May 10 | May 9 | May 8 | May 7 | May 6 | May 5 | May 4 | May 3 | May 2 | May 1 | May 31 | May 30 | May 29 | May 28 | May 27 | May 26 | May 25 | May 24 | May 23 | May 22 | May 21 | May 20 | May 19 | May 18 | May 17 | May 16 | May 15 | May 14 | May 13 | May 12 | May 11 | May 10 | May 9 | May 8 | May 7 | May 6 | May 5 | May 4 | May 3 | May 2 | May 1 | May 31 | May 30 | May 29 | May 28 | May 27 | May 26 | May 25 | May 24 | May 23 | May 22 | May 21 | May 20 | May 19 | May 18 | May 17 | May 16 | May 15 | May 14 | May 13 | May 12 | May 11 | May 10 | May 9 | May 8 | May 7 | May 6 | May 5 | May 4 | May 3 | May 2 | May 1 | May 31 | May 30 | May 29 | May 28 | May 27 | May 26 | May 25 | May 24 | May 23 | May 22 | May 21 | May 20 | May 19 | May 18 | May 17 | May 16 | May 15 | May 14 | May 13 | May 12 | May 11 | May 10 | May 9 | May 8 | May 7 | May 6 | May 5 | May 4 | May 3 | May 2 | May 1 | May 31 | May 30 | May 29 | May 28 | May 27 | May 26 | May 25 | May 24 | May 23 | May 22 | May 21 | May 20 | May 19 | May 18 | May 17 | May 16 | May 15 | May 14 | May 13 | May 12 | May 11 | May 10 | May 9 | May 8 | May 7 | May 6 | May 5 | May 4 | May 3 | May 2 | May 1 | May 31 | May 30 | May 29 | May 28 | May 27 | May 26 | May 25 | May 24 | May 23 | May 22 | May 21 | May 20 | May 19 | May 18 | May 17 | May 16 | May 15 | May 14 | May 13 | May 12 | May 11 | May 10 | May 9 | May 8 | May 7 | May 6 | May 5 | May 4 | May 3 | May 2 | May 1 | May 31 | May 30 | May 29 | May 28 | May 27 | May 26 | May 25 | May 24 | May 23 | May 22 | May 21 | May 20 | May 19 | May 18 | May 17 | May 16 | May 15 | May 14 | May 13 | May 12 | May 11 | May 10 | May 9 | May 8 | May 7 | May 6 | May 5 | May 4 | May 3 | May 2 | May 1 | May 31 | May 30 | May 29 | May 28 | May 27 | May 26 | May 25 | May 24 | May 23 | May 22 | May 21 | May 20 | May 19 | May 18 | May 17 | May 16 | May 15 | May 14 | May 13 | May 12 | May 11 | May 10 | May 9 | May 8 | May 7 | May 6 | May 5 | May 4 | May 3 | May 2 | May 1 | May 31 | May 30 | May 29 | May 28 | May 27 | May 26 | May 25 | May 24 | May 23 | May 22 | May 21 | May 20 | May 19 | May 18 | May 17 | May 16 | May 15 | May 14 | May 13 | May 12 | May 11 | May 10 | May 9 | May 8 | May 7 | May 6 | May 5 | May 4 | May 3 | May 2 | May 1 | May 31 | May 30 | May 29 | May 28 | May 27 | May 26 | May 25 | May 24 | May 23 | May 22 | May 21 | May 20 | May 19 | May 18 | May 17 | May 16 | May 15 | May 14 | May 13 | May 12 | May 11 | May 10 | May 9 | May 8 | May 7 | May 6 | May 5 | May 4 | May 3 | May 2 | May 1 | May 31 | May 30 | May 29 | May 28 | May 27 | May 26 | May 25 | May 24 | May 23 | May 22 | May 21 | May 20 | May 19 | May 18 | May 17 | May 16 | May 15 | May 14 | May 13 | May 12 | May 11 | May 10 | May 9 | May 8 | May 7 | May 6 | May 5 | May 4 | May 3 | May 2 | May 1 | May 31 | May 30 | May 29 | May 28 | May 27 | May 26 | May 25 | May 24 | May 23 | May 22 | May 21 | May 20 | May 19 | May 18 | May 17 | May 16 | May 15 | May 14 | May 13 | May 12 | May 11 | May 10 | May 9 | May 8 | May 7 | May 6 | May 5 | May 4 | May 3 | May 2 | May 1 | May 31 | May 30 | May 29 | May 28 | May 27 | May 26 | May 25 | May 24 | May 23 | May 22 | May 21 | May 20 | May 19 | May 18 | May 17 | May 16 | May 15 | May 14 | May 13 | May 12 | May 11 | May 10 | May 9 | May 8 | May 7 | May 6 | May 5 | May 4 | May 3 | May 2 | May 1 | May 31 | May 30 | May 29 | May 28 | May 27 | May 26 | May 25 | May 24 | May 23 | May 22 | May 21 | May 20 | May 19 | May 18 | May 17 | May 16 | May 15 | May 14 | May 13 | May 12 | May 11 | May 10 | May 9 | May 8 | May 7 | May 6 | May 5 | May 4 | May 3 | May 2 | May 1 | May 31 | May 30 | May 29 | May 28 | May 27 | May 26 | May 25 | May 24 | May 23 | May 22 | May 21 | May 20 | May 19 | May 18 | May 17 | May 16 | May 15 | May 14 | May 13 | May 12 | May 11 | May 10 | May 9 | May 8 | May 7 | May 6 | May 5 | May 4 | May 3 | May 2 | May 1 | May 31 | May 30 | May 29 | May 28 | May 27 | May 26 | May 25 | May 24 | May 23 | May 22 | May 21 | May 20 | May 19 | May 18 | May 17 | May 16 | May 15 | May 14 | May 13 | May 12 | May 11 | May 10 | May 9 | May 8 | May 7 | May 6 | May 5 | May 4 | May 3 | May 2 | May 1 | May 31 | May 30 | May 29 | May 28 | May 27 | May 26 | May 25 | May 24 | May 23 | May 22 | May 21 | May 20 | May 19 | May 18 | May 17 | May 16 | May 15 | May 14 | May 13 | May 12 | May 11 | May 10 | May 9 | May 8 | May 7 | May 6 | May 5 | May 4 | May 3 | May 2 | May 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GUIDE TO UNIT TRUST PRICING

Unit trusts are a type of investment vehicle which allow investors to pool their money and invest it in a variety of assets. The price of a unit trust is determined by the value of the assets it holds, divided by the number of units outstanding. The price of a unit trust is typically quoted in pence per unit. The price of a unit trust can fluctuate over time, depending on the performance of the assets it holds. The price of a unit trust is typically quoted in pence per unit. The price of a unit trust can fluctuate over time, depending on the performance of the assets it holds.

John Smith

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Continued on next page

John D. ...

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NOTES-Gross rate to those exempt from composite rates of tax has actual rate after deduction of CIT & Equity CAIT-Gross includes 3% net profits related to \$5 dollars Variable Annual Asset Rate or Frequency Interest credited.

MANAGED FUNDS NOTES

Prices are in pennies unless indicated and those designated as "N/A" no profit relate to \$5 dollars Variable % allows for all buying expenses. Prices of certain other securities include plans subject to capital gains tax or sales. A distribution form of UK taxes: A Periodic premium of 0.67% per share. The fund will pay dividends at different price intervals, all expenses except agent's commission. Previous day's price. All currency gains, if increased, a year later than Jan. 1st dividend, so only available to charitable bodies. If you wish to receive annualized rates of NAV increase, see us directly.

F&B Funds Not Sold Independently: The regulatory authorities have approved the sale of F&B funds through the Service Commission Inc. of Manx Financial Services.

Strength
existing

Number 4

Strength
existing

| | |
|------|-------|
| 3.67 | 10.12 |
| 4.90 | 10.08 |

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INDUSTRIALS (Miscel.) - Contd.

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| | | | | | | | |
|-----|-----|----------------|-----|-------|-----|-----|------|
| 306 | 245 | Whitcroft | 261 | 113.8 | 2.4 | 7.0 | 7.9 |
| 30 | 22 | Whittington 5p | 26 | -1 | 1.3 | 0.7 | 6.2 |
| 26 | 11 | Widney 4p | 12 | | 1.0 | 0.8 | 11.0 |

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| | | | | | | | |
|-----|--------------------------|-----|-------|-------|-----|-----|------|
| 138 | 63 FAI Insurance \$40.10 | 73 | +2 | 59% | 0.5 | 5.4 | 13.6 |
| 94 | 88 FBD Hldgs 150p.y | 88 | | 23.2% | 0 | 1.5 | 0 |
| 124 | 99 Gen. Accident | 125 | +1 | 50.0 | 1.0 | 6.0 | 12.5 |

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|-----|------------------------|-------|----|-------|-----|-----|------|
| 129 | Midlands Radio Grp Spv | 154nd | -1 | 13.75 | 2.9 | 3.2 | 11.7 |
| 129 | Midlands Radio Lp. v | 157 | | 14.0 | 1.4 | 4.4 | 13.4 |
| 172 | 106th Idxwmer Leds 10p | 122nd | | 114.2 | 2.4 | 4.6 | 11.3 |
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TOBACCO, AIRCRAFT TRADES

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Components

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John Wyles

Weekend FT

Weekend June 2/June 3 1990

A circus for the vandals

The World Cup kicks off in Milan on Friday. John Wyles reports from football's front line

NO textbooks will speak of our stoicism nor will songs be dedicated to our ordeal, but should one day a tall child hoist itself on to my see lipping the question "What did you do before the 1990 World Cup, and?" I shall answer proudly: "I lived on the Rome front."

If a perceptive minor, the child will see the residual traces of that winter-spring campaign: a row of trees at the side of the month's tendency to sudden bouts of announced rage, and the loathing caused by a red, white and green noocchio with a football for a head at the silly name of "Glan."

As the world prepares for the opening in Milan next Friday of its month-long total immersion in soccer, this is the time to pay honour to the bottomless well of patience in which Italians have endured operations spread over a long 12 months of severe trial and tribulation. All they have to do now is receive the estimated 500,000 foreign pilgrims to the Mondiale, and give all that fraction reportedly not on fulfilling some of the most arduous forecasts of quasi guerrilla warfare between rival groups of fans.

Advance visits to Italy by the Jewish Colin Moynihan, Britain's Minister for Sport, have as much glorified as sensitised the Italian authorities to the dangers posed by the 8,000 or so English supporters who will travel by air or by train to Sardinia for the first-round matches. While the consequent media attention raises the danger of imposing a ban, rather than deterring hooligan blood, Italian newspapers and magazines have been rather more encouraging.

Epoca sought the expert judgment of Colin Ward, "the charismatic leader of English hooligans," who offered the opinion that there will be little trouble in Sardinia because the island is difficult to reach. Encouragingly, his colleague, introduced pseudonymously as "Glan," writes in *Corriere della Sera*, "Getting to Sardinia is difficult and if England progresses it will be easier to follow the team."

Does anyone believe that "it is out to be frightened and to control your fear and make a bit of a public." He has learned from the Italian press that "you Italians n't mess about."

An acute man. Certainly "Glan" is an Italian counterpart who is averse to a bit of mayhem, but he is the Italian police, one feels, to take a robust view of their role. "If people come to Italy for violence, then the police will be ready," warns Luca Cordero di Montezemolo, the hyperactive 42-year-old chairman of Italia 90, Italy's World Cup organising committee. Some 3,000 keepers of the peace will be stationed around the Sardinia ground in Sardinia on match day, aided by spotters from the National Football Intelligence Unit who know the faces of the more notorious miscreants as well as they know their own gran.

The English and the Italians have had five months of very active joint manoeuvres. Minister has spoken to Minister, Carabinieri officers have studied English crowd control

measures and we are told that no effort will be spared to segregate rival fans. Above all, Moynihan appears to have convinced the Italians that the boys with the short haircuts, earrings and offensive T-shirts can be rendered more respectable by shutting them off from their life-supporting supplies of lager.

No firm undertakings have yet been given, but it may well be that the bars of Cagliari will only be selling fruit juice on match days. If Messrs Ward and Gilles are right, and the real trouble occurs on the Italian mainland, then one can only fear for the already diminished nervous systems of the citizens of Rome and of the other 11 cities which will house the first-round games in the tournament.

For 12 months, they have had to cope with fresh daily obstacles to physical movement or telephonic communication. All around the land important urban traffic arteries have suddenly been closed for development and improvement, the same streets have been dug up for new telephone lines, repaved, then re-excavated for new gas lines, repaved and then surgically reopened for new electricity cables. New tram lines, new rail links, new car parks - all have been planned in relative abundance, but delivered only in part.

This preparatory chaos has undoubtedly robbed the Mondiale of pleasurable anticipation for some Italians, creating a constituency for a recent article in a best-selling magazine on how to flee the World Cup. Even your correspondent was known as being a fan of the game, but on an evening in February when a journey which took 30 minutes in less troubled times consumed 3 1/2 hours. For their part, Italians have eschewed urban unrest precisely because the preparations have been so exacting as most would have expected.

The six years which have passed since FIFA allocated the 1990 tournament to Italy were far too generous for a state which has to feel the noose of failure around its neck before its limbs begin to twitch. Thus it was not until January 1988, in a kind of premeditated aftermath, that the Italian Government allocated the L3,184bn (about £1.6bn) for the public works and

stadium developments judged necessary. In the subsequent race against time, the costs have naturally escalated to at least L6,000bn, a portion of which has undoubtedly flowed into expensive lifestyles which are bound to be investigated by magistrates in the coming months and years.

"We are lazy planners but very good at improvising," says Franco Carraro, the Milanese who six years ago was instrumental in persuading FIFA that the 1990 World Cup should be held in Italy, and whose reward was his installation at the end of last year as mayor of Rome.

"We have achieved miracles," says Luca di Montezemolo, the personification of an Italian "positive mental attitude." Few can disagree with him - except, perhaps, the families of the 26 men who have died and the 978 who have been injured on Mondiale work sites, often because of the inadequate application of safety procedures. Though the revamped Olympic Stadium stadium in Rome will be scarcely a fully finished article, and not all of the planned roadworks and car parks will be completed in the capital, in Naples and several other cities, Carmelo Conte, the Minister for Urban Affairs, is right to say "we have done more in 12 months than we can normally achieve in years."



anticipated global television audience of 20bn during the month. Eight leading names (no list which includes the *Ferruccio del Stato* can be deemed "national champions") of industry, finance and communications - Fiat, Olivetti, Alitalia, Banca Nazionale del Lavoro, Intersanitalia, Stet, Rai and Ferrovie dello Stato - have committed money (L6bn each), people and materials to the Italia 90 organisation, in return for advertising exposure.

By deploying advanced telecommunications, broadcasting and computer equipment, Italy is hoping to dazzle 3,000 "opinion forming" newspaper, radio and television journalists with the quality of Italian products and the efficiency of its organisation. Perversely, it may well prove easier for the visiting

media to communicate with Santiago, Chile, than it is for the average Roman to secure a prompt, clear line to Milan.

The Mondiale is also being used as a shop window for Italian cities which are off the beaten tourist track of Rome, Florence and Venice. Italy was not required by FIFA to stage the opening round in as many as 12 different stadia, but it is doing so as a means of promoting the likes of Udine, Bari, Genoa, Turin, Palermo, Naples and Cagliari to tourists of the future.

Twelve of Italy's top film directors, including Franco Zeffirelli (Florence), Lina Wertmüller (Bari) and Bernardo Bertolucci (Bologna) have produced short movies on each city of generally high artistic calibre, which can be used by the world's networks as

trailers for the televised matches.

In all senses the Mondiale has become the pretext for Italy to rush to its favourite designer to order a lavish new wardrobe. Every stadium in each of the 12 first-round cities needed some restoration and modifications to meet FIFA's standards, but ambitious leap in Italy whenever government money is made specially available.

"A vast amount of work has been done which was not required by FIFA," says Luca di Montezemolo, who has lived with the nightmare that, above all, the Rome and Naples stadia would be only part completed by the May 15 deadline.

All have numbered seating, most are covered, and each fitted out with vastly improved spectator facilities. Turin and Bari have built completely new grounds, the latter

a work of splendour designed by Renzo Piano, of Centre Pompidou fame in Paris. In all cases budgets have been bustled by degrees ranging from a creditable 4 per cent at Udine to 112 per cent in Rome and 126 per cent in Turin. The initial estimates for work on the 12 grounds was L660bn; the final cost will be around L1,100bn.

Necessarily executed at a gallop, this labour of Hercules has produced rich material for construction industry folklore. After the celebrated Italian architect Vittorio Gregotti applied his talents to the modification of the Genoa ground, it was found that not all of the pitch could be seen from the first few rows of seats. The turf was duly raised a metre or so, but at some damage to its drainage capacity. Should the climate prove unseasonably wet in early June, the teams may be playing in waders.

Milan's San Siro (rechristened Meazza) stadium was found to be suffering from overtired pitch after underground heating (obviously not needed for the Mondiale) was installed. An entirely new surface was laid only on April 25, and each subsequent millimetre of growth has been monitored with obsessive maternal concern for evidence of healthy development.

Naturally Rome was reserved for the *cause celebre*. The stadium, first built in the 1930s and remodelled for the 1960 Olympics, was an attractive open arena which sat unobtrusively at the foot of the leafy Monte Mario hillside. The edifice which the Pope opened on Thursday blocks out most of the view of Monte Mario from the Tiber with a crown of steel tubing supporting 42,000 square metres of PVC covering. The *total ensemble* resembles a mediaeval city planted in the midst of an oil refinery. Outraged environmentalists are now ruefully regretting that they opposed an early proposal to build a new stadium on the periphery of Rome, given the blight which has now been perpetrated just 5 kms from the Forum.

And at what financial cost? To meet FIFA's stipulated capacity for a World Cup final, the stadium had to be enlarged at an initially estimated outlay of L80bn. Unfortunately, the project was adopted without engineering feasibility studies. Well into construction, the Monte Mario stand was found to be tottering on insufficient foundations and in need of complete reconstruction. The opposite Tiber stand also needed strengthening. Estimated cost of the total works: L174bn.

However, Italy will be broadly ready for the World Cup and most things should be right on the night, providing that predictable strike threats in both air and rail transport are not translated into action. Whether the event "will reach the highest organisational perfection and glamour ever attained in its 80 years of existence" (Alitalia's in-flight magazine), will in the end depend on millions of individual judgments. If the English contingent does not disgrace itself too badly, there are reasons for personal optimism. I began this article they have opened a new road system on my route to the office, and my pre-Mondiale travelling time has been halved.

Fund managers toil at the coal face

THE MINERS' strike could be a gain once again. Globe Investment Trust was rescued from the predatory British pension funds by a soaring stock market this week, at least for the time being. Maybe those arguments it has vanced about the malign influence of tax-privileged pension funds will not be needed for all.

But if you were ever tempted to shed a tear for the threatened investment trust manager at Globe, perhaps you could reserve at least some of your sympathy for the unit trust industry. In the case of a unit trust the end comes not in dramatic stock market coup, but instead it is death by a thousand sell orders.

The unit trust industry has been having a very lean time. At year end, it was true, net sales were £3.9bn but the business has not been evenly spread. A number of the bigger unit trust groups suffered net surrenders last year. So far in 1990 conditions have been difficult still: after four months the industry had managed overall net sales of only £1.1bn. Perhaps the recent length of the stock market stimulates demand - but it is not bringing out some profit-seeking too.

Unit trusts in Britain, unit funds in the US and unit shares in France are varieties of open-ended collective investment vehicles. Their managers are a brave guarantee: rest assured investors can have their money back immediately. It



Barry Riley

Investment trusts complain when they are threatened, but spare a thought for unit trust managers who must survive in a much higher-risk environment

advantage of being able to pursue long-term strategies in illiquid investments. But this privilege must be earned. In the past, investment trusts have done very little to promote their shares beyond the flurry of activity at the

time of their original launch. Average discounts have therefore gone as high as 30 per cent at times, although recently the figure has been typically nearer 15 per cent. The buyers, by default, have been various investment institutions, including pension funds like those of British Coal.

The investment trusts have often been passive, while other institutions have had to be highly aggressive in order to keep their heads above water. Imagine that Globe was not an investment trust but instead was a smaller-sized life assurance company managing funds of rather more than £1bn. The life office would have to sell substantial volumes of new policies every year in order to avoid shrinking overall as old policies ran off. It would need a big marketing department, and a host of salesmen or agents, to do this.

It is true that Globe, along with a number of other investment trusts, has recently established a savings scheme to attract new shareholders. But last year the whole industry attracted only around £50m in this way, which is not much for a sector capitalised at around £10bn in the stock market. It is certainly not enough to prevent still more shares drifting into institutional hands.

The investment trust industry is inclined to rant about the unfairness of the tax system, with its encouragement of tax-sheltered institutions. But there is nothing new about

pension funds: indeed, company pension schemes are now fairly mature, and are scarcely growing any more. Investment trusts themselves have a significant tax privilege, in the shape of their ability to roll over their internal capital gains free of tax.

A more fundamental problem may be that the savings industry has become increasingly competitive. Diminishing investment trusts like Globe, which cannot attract the high volumes of new buyers needed to offset the ever-present drain of private selling of their shares, are in a very vulnerable position unless they can produce exceptional performance, which Globe has failed to do. Because there are few economies of scale here, it may be easier for smaller investment trusts to find sufficient new shareholders.

This same problem is faced less noisily by hundreds of unit trusts. No Office of Fair Trading can conceivably be called upon to save them in the alleged public interest. They can only exist as long as enough investors want them. Their managers must keep selling new units or the funds must die.

Ultimately the same fate will be suffered even by closed-ended funds if they permit their shareholder registers to become dominated by institutions, and they allow the discounts to persist at a high level. And they will deserve it. After all, they close pits, don't they?

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MARKETS

LONDON

When 'sell in May' failed to pay

IT IS NOT always a good idea to follow the advice of homely proverbs. Those who "never cast a clout 'til May is out," and who know that this refers to may trees blossoming, will have left their clouts in the cloakroom, enjoyed the sight of abundantly-flowering hawthorns and been appropriately dressed for a warm, dry May.

On the other hand, "sell in May and go away" was unusually bad advice for investors this year. Over the month the FT-SE 100 index rose by 24.7 points, 11.5 per cent, ending on Thursday night at 2453.1. The last three trading days of the month alone accounted for 79.5 points of the month's gain. Flaming June got off to a fairly steamy start too yesterday, with a rise of another 26.3 points.

While many gardeners are hoping that Wimbledon and the start of Test cricket will bring rain, many stock market commentators are also looking

to June for a dampening effect on overheated enthusiasm.

The talk behind the rise in the London equity market has mainly been about "ERM," or the put in long-hand, people hope that sterling will soon join the Exchange Rate Mechanism of the European Monetary System (EMS). This, the optimists say, will lead to the "golden scenario" of UK interest rates and inflation falling at the same time, of joy abounding and a grateful electorate voting Conservative once again.

Leaving aside the question of whether this view of the consequences of joining is utter nonsense, the markets seem to have got rather ahead of themselves in anticipating sterling actually going in. Foreign as well as domestic buyers can be blamed for the rush of buying.

John Major, the Chancellor of the Exchequer, has only to clear his throat in the company of a European finance minister

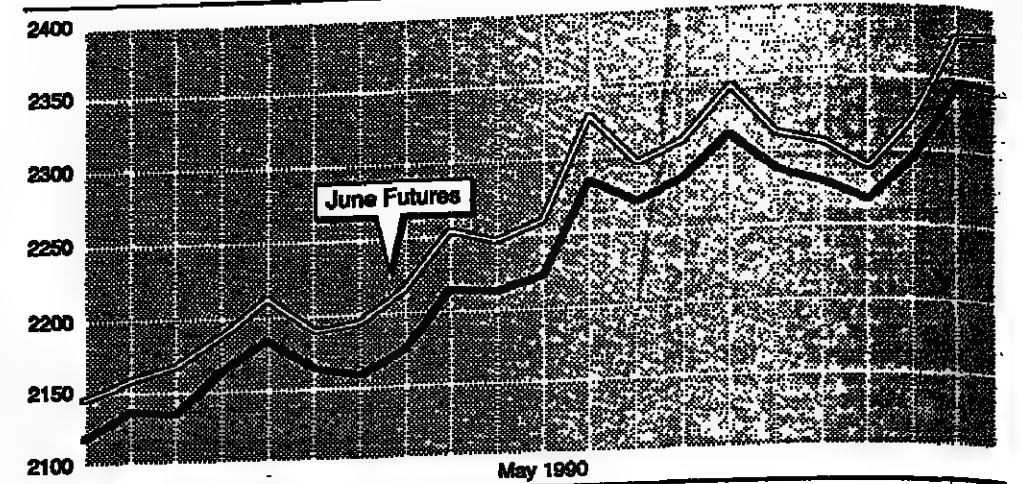
and sterling, gilt-edged stocks, and equities shoot up. Did he say, "ahem," or was it "erm"?

Thus it was on Wednesday when Major went to Paris. He was speaking at a meeting of the Organisation of Economic Development and entirely failed to mention the EMS in his speech. On the contrary, he warned that UK interest rates could yet rise again in the battle against inflation.

However, he might as well have kept his mouth shut as far as the equity market was concerned, although in the foreign exchanges and the gilt market early gains for the pound and bonds were scaled back. Much greater significance was read into his meeting on the same day with Pierre Bérégovoy, the French finance minister. "Ah ha!" said equities, and rose 50 points.

This all seems premature given that all sides say the pound will not go into the ERM until UK inflation is brought

FT-SE 100 Index



FINANCE & THE FAMILY: THIS WEEK

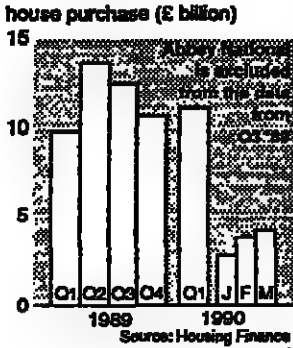
Minding Your Own Business

Jessica Alexander meets a man with a mission to make executives more healthy and reports on a course to put would-be entrepreneurs on the fast track to success. Page VI.

BRIEFCASE: An executor stands alone — Page V

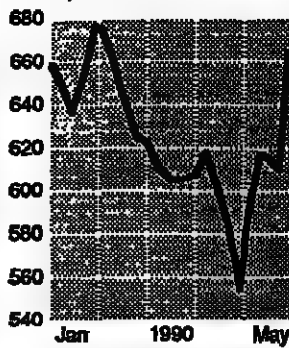
Building Societies

New commitments for house purchase (£ billion)



Enterprise Oil

Share price (pence)



UK mortgage demand remains buoyant

The UK mortgage market has been quite buoyant in the first quarter of 1990 with net new commitments for house purchases reaching £11,026bn. This is higher than in the preceding quarter — when commitments amounted to £10,884bn — and considerably higher than in the first quarter of 1989.

The figures suggest that the building societies are increasing their share of the mortgage market, possibly through increasing remortgage business. However, *Housing Finance*, which is published by the Council of Mortgage Lenders, predicts that there will be a downturn in mortgage activity in the second quarter as the increase in mortgage rates announced in February takes effect. Sara Webb

Enterprise Oil in the spotlight

Three days of intense bid speculation in Enterprise Oil left the shares sharply higher at the end of the week. A quarter of Enterprise shares is held by French state-controlled oil company Elf Aquitaine and another quarter by ICI. Analysts have long held the view that ICI would sell its stake and that Elf was a natural buyer.

The market caught wind of an imminent announcement from Elf and traders marked Enterprise shares higher. Elf eventually confirmed it had been in talks with ICI, but a rumoured cash-raising issue of shares turned out to have nothing to do with the British oil company. Daniel Green

Garston Amhurst payout deal

National Financial Management Corporation is expecting to pay out about £2m to investors in Garston Amhurst, the insurance agency now under investigation by the Serious Fraud Office after its collapse earlier this year.

NFMC said yesterday that it had written to solicitors of the Garston Investors' Protection Group saying that people who reasonably thought that they were investing in NFMC authorised products would be fully compensated.

This decision not only applies to investments made from April 29 1988, the date on which the Financial Services Act came into force, but also to those covering an earlier period from December 1 1987. The company has chosen this earlier date because this was when Garston Amhurst signed its appointed representative agreement with NFMC. The company said that where there was documentary evidence of a recommendation by Garston Amhurst to invest in such a product, investors would be fully compensated.

In addition, other investments made after December 1 1987, but where there was no evidence of either an intention to invest in an NFMC authorised product or a Garston recommendation to do so, investors would be compensated in full for lost capital sums of up to £20,000. Above this, the greater of £20,000 and 80 per cent of the capital sum could be paid. Terry Dodsworth

Disclosures ruling

Independent advisers and life companies will not have to disclose their commissions and expenses in cash terms, as recommended by Sir Gordon Borrie, Director-General of Fair Trading. The Government has announced that it intends to consult with all sections of the life assurance industry and other interested parties before taking any action on his report, in which he said that the existing disclosure rules are anti-competitive.

Sir Gordon wanted consumers to be told at the point of sale how much in cash terms would go to the life company as expenses and to independent advisers in commission. SIB's disclosure rules start on July 1, while the Government's consultation process will last until the end of September — perhaps an indication that Sir Gordon's report may be shelved. Eric Short

Blue Arrow compensation

County NatWest announced improved compensation terms this week for those investors who suffered losses as a result of the Blue Arrow rights issue.

The result of weeks of negotiation between the Institutional Shareholders Committee (ISC) and County NatWest is an increased offer up to a maximum of 5p per share to all investors who bought Blue Arrow shares between October 27 1987 and December 17 1987, together with interest on the compensation payment.

Although the ISC technically represents the interests of institutional shareholders, its current chairman, Donald Brydon, has insisted throughout the negotiations that he was representing all shareholders, including those few individual shareholders who were caught out by the Blue Arrow affair.

Claims must be submitted by June 22. Further details are available on the following helpline: 071-362-1500. E S

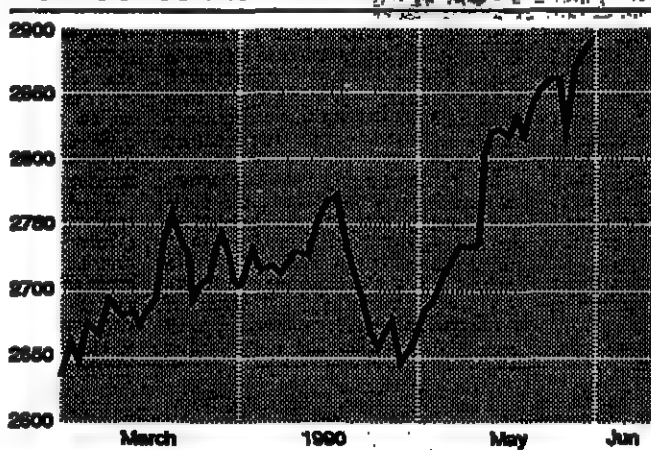
HIGHLIGHTS OF THE WEEK

| | Price | Change | 1989 | 1990 | |
|-------------------|--------|---------|--------|--------|--------------------------------------|
| | 1 day | on week | High | Low | |
| FT-SE 100 Index | 2371.4 | +105.8 | 2463.7 | 2103.4 | Wall Street/EMS entry bids |
| BET | 259 | +29 | 273 | 204 | Broking house recommendations |
| Caubury Schweppes | 951 | +17 | 978 | 904 | Purchase of Parrier soft drinks unit |
| Carlton Cinema | 595 | +50 | 610 | 432 | Buying by US arbitrageurs |
| Dunhill | 424 | +35 | 428 | 347 | Good annual results |
| Enterprise Oil | 665 | +55 | 678 | 552 | EW bid speculation |
| Eurotunnel Units | 543 | +25 | 738 | 465 | Refinancing plans detailed |
| Guinness | 778 | +68 | 798 | 638 | Tender offer by LVMH |
| Logica | 222 | -77 | 358 | 215 | Profit warning |
| M & G Group | 442 | +22 | 461 | 385 | Better-than-expected int figures |
| RMC | 700 | +37 | 745 | 588 | Stock shortages |
| Slade | 462 | +22 | 464 | 410 | Good results & upbeat statement |
| Thames TV | 508 | -40 | 556 | 463 | Profit warning |
| Tunstall | 152 | -35 | 185 | 120 | Ending of buy-out talks |
| VSEL Consortium | 349 | +34 | 400 | 278 | Annual figures due soon |

WALL STREET

Not a pretty picture

Dow Jones Industrial Averages



enthusiasm for technology stocks. These had fallen from favour the previous Friday when Adobe Systems, the computer software company, said second quarter profits would be lower than expected. However, at the start of this week IBM led a revival, helped by a report that the computer giant was recovering.

The rally also changed its shape: for a long time major blue chip stocks have been outperforming smaller ones — a trend which some analysts had interpreted as a danger signal — but on several days this week the Standard & Poors 500 stock index, which tracks a much wider range of companies than the Dow Jones Industrial, has also been hitting new peaks.

The most startling corporate

news of the week was an announcement by Gerald Greenwald, the number two man at Chrysler, the automobile manufacturer, that he was leaving the company to head up an employee team trying to buy UAL, the parent company of United Airlines.

Greenwald was widely regarded as the heir to Lee Iacocca, the chairman, who restored Chrysler to health after it came close to bankruptcy in the early 1980s. But today the third largest US motor manufacturer is again facing a loss of market share and poor profits. The market took his departure with relative equanimity, with Chrysler's shares recording only a small dip. Analysts said that the company had good management in depth and Green-

wald's move would not affect its crucial new model programme, which is expected to start bearing fruit in 1992. His duties were split between two men who will both be seen as contenders for the vacant mantle: Robert Miller, the 48-year-old chief financial officer, and Robert Lutz, 55, who heads the company's US motor

JUNIOR MARKETS

No-knocks issue hoped for

A QUIET revolution is taking place in children's playgrounds. The knocks, breaks and more serious injuries that mar many escapades are, to some extent, becoming a thing of the past.

That is at any rate, the hope of Leslie and Ann Chier, the founders of Leverest, which makes playground equipment and surfaces. The rubber surfaces and safety tiles it makes from reconstituted shredded rubber tyres are the fastest-growing part of its business.

Ann Chier, joint managing director, says that shifting from a concrete to a rubber surface will not necessarily avoid broken limbs but it will offer protection against deaths and brain damage. She says there is growing awareness of the potential hazards of playgrounds, which result in 40,000 accidents a year, including some fatalities. In part, this is due to campaigners such as the National Parental Safety Council, which has been crusading for improved surfaces.

A Private Member's Bill has been introduced to Parliament to oblige local authorities to install safety surfacing around playground equipment, and a code of guidance for local authorities is expected to be introduced this year.

The company is also working on a number of novel safety features for playground equipment. For example, it has developed an anti-scooter movement for seesaws and a hydraulic braking system for equipment such as roundabouts. Research is also going into anti-rampage fittings, as playgrounds are often targets for wanton destruction.

More generally, the company produces street furniture such as wooden benches and playground equipment like climbing frames. It also sells innovative equipment such as a giant game of snakes and ladders, in which the children act as counters, communication systems within tubes, or mazes within climbing frames.

Leverest, which was founded in 1981, makes most of its sales to local authorities, although orders are now coming in from brewers which are installing equipment in pub gardens. In the year to March 31 it made pre-tax profits of £702,000, up from £219,000 the year before.

It is planning to join the market next week in a £5.5m placing handled by Guidehouse Securities. It is raising £1.5m which will be used to fund expansion and new machinery. Leverest must hope that its flotation goes more smoothly than did that of Innova Displays, a start-up company concerned with computer-controlled advertising displays. This week its proposed USM placing collapsed at the 11th

hour, creating a bitter rift between the company and its broker.

The company swiftly announced that it was using its broker, Corporate Broking Services, for £1.5m for failing to complete the placing. It said that it was told by the broker long after the transaction should have been completed that too few institutions had agreed to take up the placing.

The broker, however, says it was vigorously contesting its claim against it. "The company withdrew it [the issue] without consultation with ourselves. We are very upset about it," said Roger Jeffries, head of corporate finance. He will not comment further as litigation is under way.

Another USM company which has seen its plans go awry this week is Headland Group. On Wednesday it said it expected to make a significant loss in the first half of the financial year.

It must all provoke a certain sense of déjà vu at the company. Headland, formerly known as Compost Group, has been through a financial crisis before. After a meteoric rise early on, it stumbled and moved into loss in 1987. In September 1987 it was rescued by Octagon Industries, a management consultancy that specialises in turning round troubled information technology companies.

Octagon put together a rescue package and its directors and other associates took a 30 per cent stake. A return to profits was achieved by exploiting previously neglected sales opportunities and cutting overheads. In July last year the company declared that it was ready for a growth phase and it revealed ambitions to become an international computing services organisation within five years with turnover of £100m.

Its goal was to build up a portfolio of accounting software based on new technology which could be used by companies of all sizes. It took a step in this direction by buying Multisoft, a rival, for £11m last October.

Now, however, the company acknowledges that it may have moved too far, too fast. It has reshuffled the management, putting Geoff Bristow, managing director of Octagon and non-executive chairman of Headland, back in the driving seat as executive chairman and chief executive.

Cost cutting measures are already under way. However, the company will have to contend with a deterioration in trading conditions that has beset large parts of the UK computer software industry.

Maggie Urry

Gas expects hotter prospects against other utilities

WITH ECONOMIC prospects uncertain, utility stocks should be looking increasingly attractive to the small investor.

Utility stocks' main income streams are subject to tight regulation which makes it hard for them to keep up when profit growth elsewhere is strong. But when the outlook is clouded, the reliability of these income streams lends the profit base a resilience that others can only envy.

British Gas, which this week reported flat pre-tax profits of £1.05bn on a current-cost basis for the year to March 31, 1990, is clearly a prime candidate for investment for anyone intent on bolstering the utilities element of their portfolio. But how does the stock stack up against its principal peers in the utilities sector?

By the crude measure of actual and anticipated gross yield, British Gas is certainly doing better. A 16.7 per cent advance to 10.5p in the group's full-year dividend lifted the yield to 6.5 per cent, according

to calculations by Nomura Research Institute. In making the dividend recommendation, "the directors have taken into account the level of current cost profit for the past year, the impact of the exceptionally warm weather and their view of the trend of earnings in future years," according to Robert Evans, chairman.

"It is still our firm intention to increase the pay-out ratio over the next few years," he reiterated this week, opening the door to further improvement. Indeed, Nomura estimates that the yield on the stock will climb to 7.8 per cent in 1991 and as much as 8.9 per cent a year later.

This will probably outstrip by a comfortable margin the yield available to British Telecom shareholders (5.5 per cent) whose shares are on a similar multiple of below 10. It will also put British Gas within striking distance of the water stocks. "The yield gap is closing," says Nomura's Christine Baker. She expects water com-

panies to yield between 7.4 per cent and 8.3 per cent in 1991.

British Telecom appears to hold the edge because of its involvement in an exceptionally fast-growing industry. On the strength of this alone, its long-term profit outlook might be deemed superior. BT is also acting decisively to cut staffing levels — to which a £390m exceptional charge taken in its 1989-90 accounts bears testament. "In terms of our efficiency, we probably have 10-15 per cent to go to get on a par with a good Bell regional operation in the US," according to Mr Iain Vallance, BT's chairman.

British Gas blamed its stalled profits performance in the year just ended mainly on the unusually fast-growing industry. The unseasonable weather depressed gas sales volumes by an estimated 1.5bn therms, reducing sales by about £700m and post-tax profits by some £250m, the company said. It nevertheless expected the effect on the group of global

expect the use of gas for power generation to represent a substantial new market during the 1990s. "This is in contrast to the water sector where the possible scale of future environmental-related expenditure casts a long shadow."

In terms of generating growth, British Gas is setting much store on broadening its geographic scope and expanding its exploration and production business. E&P operating profits soared 265 per cent to £149m in the year just ended.

Despite this apparent success story, shareholders cannot be expected to feel entirely happy with this facet of the group's strategy until it develops a less accident-prone track record with regard to acquisitions. Investments in both New Zealand's Petrocorp and Bow Valley Industries of Canada have encountered problems in recent years.

The company must be fervently hoping that its proposed £41.1bn (£563m) purchase of Consumers Gas, Canada's larg-

est local gas utility, proceeds smoothly. Evans said this week that although "this new entrant in the market may make things slightly more difficult... we still are confidently expecting to be able to complete the deal in the time we originally set ourselves."

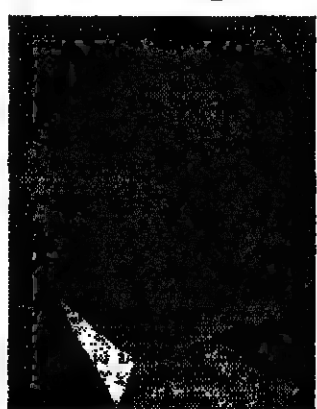
Finally, the prospect of a Labour government in Westminster is one which would be investors in utilities are having increasingly to take seriously.

Rationalisation or the dis-enfranchisement of utilities shareholders are not out of the question if Labour does gain power, notwithstanding the more market-conscious policies the party is propounding.

Equally, Evans may well be right when he says that he cannot see the "political imperative" of doing anything about British Gas. "We have still got 2.5m shareholders. That probably represents about 4m to 5m voters. I think that's an important perspective."

Martin Dickson

David Owen



Robert Evans: still confident

warming to be "extremely small indeed" over the next five years.

In other respects, environmental factors may be working in the group's favour. Concern about industrial emissions is making gas's position as a fuel for power generation appear increasingly favourable. According to Evans, "We

John H. H. H.

Vanessa Houlford

Peter Martin on the art of winning friends and influencing people in your workplace

THE BIGGEST single influence on a family's financial well-being is the continued employment of the primary wage-earners. A slowing economy, rising unemployment rate, and new attempts to slim white-collar staff by big companies such as British Telecom and British Petroleum all underline the importance of holding on to a job.

The lesson of recent years is that unemployment is dangerous. You may be doing an outstanding job but your division or work-unit could still be a victim of rationalisation or a industry-wide wave of mergers. You may have worked your way up to management level that, in an instant, would have sheltered you against the wind, but you would still be affected by the "downsizing" that wipes out whole firms and management jobs.

Ask yourself a simple question: could an outsider, looking at you and your colleagues, decide that bad you do is essential to the survival of the organisation?

That is the one of the hardest questions to answer, and all managers should be able to think of it rationally. People have to think their work is in vain: there's a natural tendency to invest whatever we do in an overwhelming importance. But in fact, a surprisingly high proportion of jobs in all large organisations are 10-50 per cent of them. And these jobs are not essential to the company's survival. That does not mean that the people who fill those jobs are not working hard, or that the work they do is not valuable, but that a sensible management could imagine doing all of them, and still mean they are not essential. So, start this exercise by outlining

yourself in the customer's shoes for a moment and ask yourself bluntly: how would what the customer buys be harmed if my job did not exist?

There are lots of essential jobs that do not directly benefit the customer, of course. For example, the accountant, for example. Still, this question is a good place to start. If the day-to-day quality, availability and convenience of what the customer buys would not be affected by the abolition of my job, maybe that job is not as essential as I have always thought.

When you are trying to assess your job, ask yourself more than: "Could this department get by with one-fewer person?" Often it could not – everyone is rushed off their feet already. Ask yourself instead: "Could the company get by without my whole department?" If it could – perhaps by buying in a service from outside – perhaps by just making do without the things the department provides – then your job may be dispensable, even though you and your colleagues are busy.

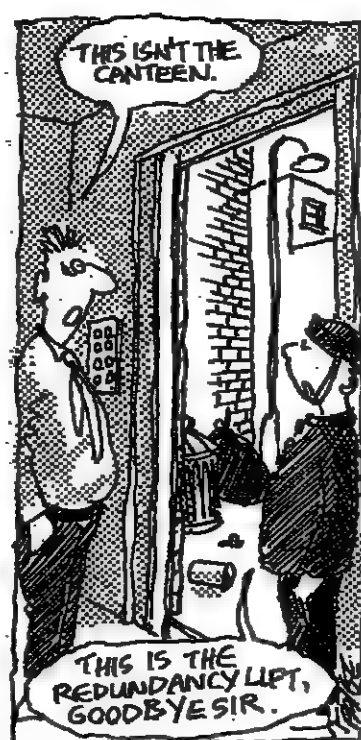
Now do the questionnaire below. If you have decided, after completing it, that your job is dispensable and that the benefits that brings are not worth the risk, then it is time to make it less so – perhaps in one of the following ways.

■ Get closer to the customer. This

ways of tying your job more closely to the end-product, your company provides. If you are in R&D, can you regularly put aside some time to spend with customers, answering their queries and picking their brains? If you are in accounts, can you make the task of a production department easier? If you are in market research, can you find (informal, under-the-counter) ways of channelling your output to the sales teams in a form they can immediately put to practical use?

■ **Identify new markets.** Every time you get a customer complaint (a formal one, if you are in that sort of department, or an informal one from friends and relations) think of ways of turning that complaint into an opportunity. A smaller pack? A larger pack? An environmentally-friendly formula? Same-day service (at a price)? Different terms in the credit terms in nature for repeat orders? Specially clear instructions for older people who have trouble reading small type? Try to come up with some sort of quantitative estimate of the scale of the new market you are talking about; then pass the idea on, ideally face-to-face with a follow-up memo.

■ **Provide valuable data.** No matter what your job, you can access important information to the future of the company which probably gets no further than the inside of your



head. Find ways of turning it into data the whole company can benefit from. Ask yourself: what do I know? (Possible answers: lists of most valuable customers; lists of about-to-depart customers; lists of customers whose credit performance could be greatly improved by systematic reporting to debt-chasing; costs of reaching particular customers; costs of doing low-volume variants; rivals' promotional initiatives; top-selling outlets; bottom-selling outlets; outlets that are moving from one category to the other; and so on). Who is this information valuable to? How frequently, and in what format, would the recipient like the information? How can I let the brass know that I'm the originator of this important, profit-oriented information?

■ Make the data you already produce available. If you are in an information-providing department, you are probably churning out inter-departmental reports that date back to the Ice Age. So: find out what the recipients use them for; find out what the recipients would really like to know, and how frequently (cruder information quicker; more accurate information less often); redesign the data-collection process, if at all possible, to get at what the recipients really want to know rather than what is convenient to provide.

redesign the report itself to be clear, crisp and to the point.

- **Replace an outside supplier.** If you are already providing a service to one department or subsidiary, could you provide the same service to the rest of the company at no additional cost? If so, perhaps you could replace an outside supplier, saving the company money and making your fate less dependent on the whims of one particular in-house client. (Careful with this approach: it smacks a bit of empire-building. And the boss may all too plausibly suspect that after doing the job for six months you will come back and demand another three staff because of all the extra pressure.)
- **Find solutions to problems.** Bosses get tired of hearing problems. Getting a reputation for your department or yourself, as a problem solver, is more useful than problems. It is enough to make you essential all by itself. Curiously, it does not seem to matter if the solutions are not, in the long run, terribly good ones. As long as it does not end in disaster, a mediocre solution that is presented on a plate will often win the person proposing it more kudos than a superior solution that takes everybody's mouths off to feed.
- **Latch on to a buzzword.** If the managing director's new slogan is "Total Quality Management," or

"The Customer Comes First," or even "Avoid Phone Calls Before 1 p.m.," you can make your job a lot more pleasant by following the slogan of the new faith. But the prophet in origin to your department; proselytize; try to create in everyone's mind the belief that Doing It Right First Time and, say, the payroll department are indissolubly linked. Then just hope that yesterday's article of faith does not become today's heresy.

■ **Become a skunkworks.** Skunkworks is one of yesterday's slogans that has a bit more staying power than most. It owes its popularity to the book *In Search of Excellence* by Tom Peters and Robert Waterman. The phrase refers to the curious sort that breakthrough products or solutions often come not from a company's lavishly-equipped research labs, but from a bunch of maverick misfits in some other department scrounging equipment and time to devise their innovation, usually in the face of official discouragement. If it works, it is a sure-fire way of making yourself indispensable. But remember, just because you can't do it, can't do this misfit and your office is a dump, it does not necessarily mean you are a genius in a skunkworks.

■ **Get closer to the managing director.** From the point of view of the company, this is not as valuable as getting closer to the customer. From the point of view of your job, however . . .

*This article is based on the author's book, **How to Survive and Prosper in a Recession**, Hutchinson Business Books, \$6.99.*

QUESTIONNAIRE: How indispensable is your job?

Answer the questions without referring to the answers and answers. Then turn to the end to find the scores and the explanations. You'll find your score at the end.

1 How often do you speak to visitors?

(a) several times a day?
(b) several times a week?
(c) several times a month?
(d) less often than that?

2 Is the word "planning" in your title or job description?

3 Do you get performance feedback directly to your own forte?

4 How many mistakes do you rate a week?

(a) 0-5?
(b) 5-10?
(c) more than 10?

5 Are you the boss?

6 Have your individual efforts added anything to reverse in the past month?

7 Have your individual efforts done anything to cut out the next month?

8 What percentage of your time is spent in meetings?

- (a) less than 10 per cent?
- (b) 10-40 per cent?
- (c) 40-70 per cent?
- (d) over 70 per cent?

9. Are there commercial prices that do the same as your department?

10. What proportion of your work is the provision of internal information:

- (a) less than 10 per cent?
- (b) 10-40 per cent?
- (c) 40-70 per cent?
- (d) over 70 per cent?

11. Roughly calculate the percentage growth in sales over the past five years. Now divide 80 percentage points by the percentage increase in sales (if any). What is the resulting figure?

- (a) bigger than the rise in cost in your department over the same period?
- (b) smaller?
- (c) about the same?

12. Have outside suppliers been asked to lunch in the last month:

- (a) not at all?

(b) once?
(c) several times?
(d) never?

2. Answers and explanations:
1. The more often you speak to customers, the less dispensable you are. This rule holds good in whatever level in the hierarchy you hold; successful senior executives stay in touch with customers, too. Score 30 for (a), 20 for (b), 20 for (c), zero for (d).
2. Planners are more dispensable, by definition, than doers. If "planning" is in your title, subtract 20 points; subtract 10 points if it's in your job description. If "co-ordinator" or "supervisor" is in your title as well, subtract another 5 points (unless you work for Unilever, where co-ordination is a higher state of being, and not dispensable at all).
3. If you get performance paid tied directly to your efforts, then your productivity is the same as what you do has a measurable impact on the firm's perfor-

man's. Your job is less likely to be dispensable (though, of course, if you measure performance too poor, you may be more dispensable in it). Score 20 if the answer is yes, unless the performance appraisal is just based on your boss's opinion of how good a job you've done and not on any actual work results, such as profit or added value. In that case, score zero. Also score zero if the scheme is tied not to your individual performance, but to that of any unit bigger than 10 people.

4 If you write to measure, you are likely to communicate (or too) junior to be indispensable. If you write lots of memos, you may be dangerously close to that archetype of dispensability: a corporate bureaucrat. Score 10 points for (b), zero for (a) subtract 10 for (c).

5 If you are the boss of a company, division or work-

unit, score 20 (and you'll gain a bit more indisposability when you answer Question 5 below). If you're the boss of the parent company, score an extra 50, making 70 in all. Your job is clearly indisposible, even though you may lose it if your board doesn't like the way you perform it.

If you can honestly say that your individual efforts have added a single penny to revenues in the past month, score 30. If the amount you've added is more than your monthly gross earnings, raise the score to 80.

If you have really reduced costs in the past month, score 20. (Companies give revenue-raisers higher indisposability than cost-cutters.)

If you spent more than 70 per cent of your time in meetings, you may be a bit too indisposible. If you answer yes to Question 5 (Are you the boss?), If you

answered yes to Question 5, score zero on this question. Subtract 20 points for (a), 10 for (c). Add 10 for (b), since it shows you're important enough to be consulted. Score zero for (a).

9 If there are commercial services that do the same work as your department, it would be possible to replace them with outside contract suppliers. Departments that have succumbed to this trend include those providing data-processing, transport, manufacturing and design - and even the post room. Subtract 20 points for a yes.

10 If more than 70 per cent of your work consists of providing internal information, subtract 20 points. Subtract 10 for (c), zero for (b). Add 10 for (a).

11 If you answer (a) and 10 points are subtracted, subtract 20, since your department has increased by more than the

rise in revenues alone would justify. If you answer (c), score 12.

12 Score 10 points for (b), since it implies you're important enough for someone to want to woo. Score zero for (a), but subtract 10 for (c), since at some point your bosses may get round to asking why they're paying you money to sell lunch.

Now top up your score. If you scored:


Minus 50 or more - You're obviously a meeting-bound planner with a co-ordinating role in a department whose work is not very well understood or appreciated. Turn immediately to the pages that give you 10 ways of making your job more essential, and start a crash programme to put them into effect. Or think seriously about a different, less vulnerable job.

Minus 40 or more - You're a competent, sensible things writer. Press forward and turn down fewer invitations.

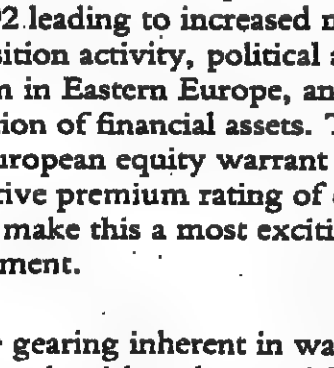
Between 50 and 60 — You may not have a career programme to make your job indispensable, but you probably need to think carefully about whether your job — or the way you do it — can be redesigned to give you more contact with the outside world, and a more direct influence on the company's bottom line.

Over 50 — Most office workers in most big companies will fall into this band. That's only partly reassuring: the big cuts in white-collar staff in the US have cut deep into this traditional layer of managers and support staff. It's worth exploring ways of adding value to what you do, to push you out of the danger zone.

Over 50 — Congratulations. If you've answered the questions honestly, your job is clearly indispensable. But you may not be, since really indispensable jobs tend to be ones in which your performance is clearly superior to the rest. So until you have considered how well you stand out,



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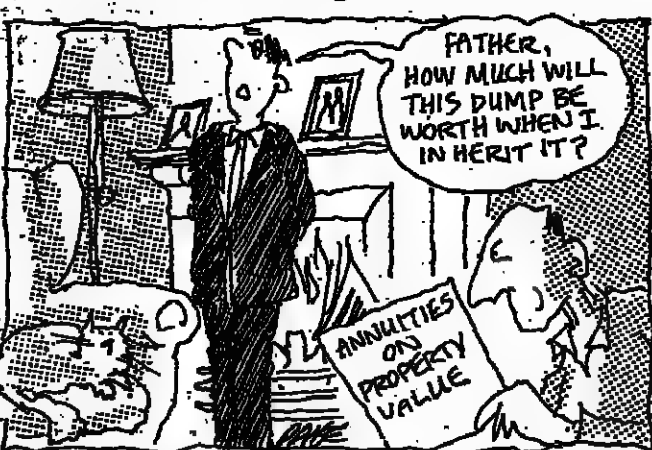
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FINANCE & THE FAMILY

How long should a 'long view' be, asks Sara Webb

Life beyond a pension



any remaining money.

Income

"People in their 70s or 80s want to be able to sleep easy at night," says Mark Powell, chief executive of stockbrokers Lawrence Kest. He points out that people at this stage of life tend to prefer putting all or most of their savings in a building society where they feel it is safe and they can live off the interest.

The problem is, if you are 75 and you live 20 more years, you will find that inflation erodes the value of your capital. John Bridal, director of Towry Law says: "A couple of this age could still have 10 to 15 years left to live, in which case fixed interest investments are not such a good idea, and elderly people should be prepared to consider taking some risk."

Bridal says that he advises elderly clients to use guaranteed income bonds which provide "quite a high rate of interest."

Towry points out that one way to boost income (for exam-

ple, if you find that your pension alone does not provide sufficient to live on) is to buy an annuity. "You could get an annual income of 10.5 per cent, but remember that once you have bought an annuity you are committed to it. So it is probably wiser only to put up to half of your savings in an annuity rather than the whole amount."

Further income could be generated by using a combination of investment bonds and government stock, he adds.

Another way to provide extra income is through a home income plan, which allows elderly people to receive an income for life by borrowing against the value of their home. Usually, the amount that you borrow is used to buy an annuity.

Remember too that with the introduction of independent taxation this April there may be opportunities to use separate allowances for husband and wife in order to reduce tax liabilities.

Capital appreciation

Most people want to pass on some of their wealth to their dependents eventually. If you have spare capital, you probably can afford to take a long-term view when it comes to investing it, on the grounds that once your spouse or child inherits the sum they can regard it as a long-term investment. So some elderly investors who want to bequeath money to relatives may be encouraged to take an aggressive stance by investing the money in shares or unit trusts, according to Powell.

But, he adds, elderly investors must be careful about the "age allowance trap."

People over 64 are entitled to a special tax allowance on top of their normal personal tax allowance. There is a further additional allowance for people over 75. The age allowance is reduced in line with the total income received over and above the top limit of the allowance - as a result, extra income earned above this level can lead to a reduction (or even the total elimination) of the allowance, although it cannot be lost into your personal tax allowance.

Profits from non-qualifying policies (such as guaranteed income bonds) are treated as income for the purpose of adjusting age allowances, so you would need to take this into consideration when the bond matures.

Towry points out that one way to boost income (for exam-

If you do decide to build up a portfolio, you will have to take Capital Gains Tax (CGT) liability into consideration. Active investors should make use of their £5,000 CGT allowance each year and think carefully about the tax implications before planning any disposals.

However, before you rush to restructure your portfolio bear in mind that the costs could be prohibitive. You should be wary of an adviser who recommends a complete overhaul of your portfolio. If you have held on to shares for many years and these have shown considerable capital growth, you could end up with a very large CGT bill on disposal. As one adviser put it: "You need to ask yourself whether you are better off once you have paid the CGT as a result of moving around a quality portfolio."

In such cases, a financial adviser may suggest you don't tamper with the shareholdings but leave them as they are. Whoever inherits the portfolio will not be liable to pay CGT until he or she starts to make disposals, and in that case the capital gains are calculated from the date at which they took over the portfolio.

Inheritance tax planning

The other tax which calls for careful planning is inheritance tax (IHT). One way to cover the cost of IHT is to take out a whole life assurance policy which ensures that a specific sum is paid out on your death, thereby mitigating IHT liability.

IHT is payable on the total assets held at the time of a person's death. The first £25,000 is excluded, but above this figure there will be a liability to tax on the excess at a rate of 40 per cent.

Gifts made during your lifetime escape IHT altogether provided you do not die within seven years of making the gift. In the event of death in the first three years after the gift, the full amount would be included in the estate for the purpose of calculating IHT.

From three to seven years the continuing tax liability on the gift is on a reducing scale. The main exemptions from IHT are:

- * gifts of up to £2,000 paid out of capital each year;
- * transfers between husband and wife during lifetime or at death; and
- * charitable gifts and small wedding gifts.

The investment strategy adopted by an elderly person obviously will depend on his or her personal circumstances. The case history below shows how Towry Law advised an elderly widow, and should not be regarded as a blueprint for all investors.

£10,000 in a two-year bond, with a return of 10.85 per cent;

£10,000 in a three-year bond with a return of 10.1 per cent;

£10,000 in a four-year bond with a return of 10 per cent; and

£10,000 in a five-year bond with a return of 10.3 per cent.

They added: "One year rates are currently not competitive, however, we do feel that these rates will enable you to take advantage of the current high rates of interest for some years to come."

To let or not to let

EXPATRIATES

THE HALIFAX Building Society has launched a residential letting service for UK properties, aimed specifically at British expatriates.

Under the basic residential letting service, the society's property subsidiary will find acceptable tenants, set up the tenancy agreement, prepare an inventory of house contents and provide a detailed account of the general condition of the property before the tenants move in. It will also give advice on tax implications and arrange insurance to cover a landlord's legal liabilities.

The society also offers a full property management service which takes care of an owner's interests once the tenancy has been established. This includes preparing statements of income and expenditure and paying rent into a landlord's account, re-letting or non-payment of rent and dealing with maintenance and repairs.

The service is comprehensive and therefore does not come cheap. For the full management service there is a charge of 10 per cent of the monthly rental income, and maybe slightly more in London and the south east. For the letting service the charge is 50 per cent of the first month's rental, again with slight regional variations.

But is letting a property really such a wise move? Expatriates have three choices when it comes to dealing with residential property. The first is to sell up. Second, you may

prefer to leave the property vacant for return visits to the UK or for relatives and friends. Finally, you can rent it out.

The great attraction of selling up is the prospect of a tax-free lump sum gain after the mortgage has been paid off. It also appeals to "tidy mind" planners who like the finality of the arrangement. But beware: this kind of deal is really only suitable if you know you are going to be outside the UK for a very long time.

If you are planning to come back in the foreseeable future, say, within the next five years, selling is almost certainly the wrong thing to do. House prices have fallen dramatically in the last 18 months in some parts of the south of England, but the downward spiral is now thought to be past its worst.

If you get off the property ownership ladder, you may find it difficult to get back on, even at the lowest rung. Remember the obvious - but often overlooked - point that a house is a home as well as an investment, so don't see a house sale purely as a financial decision.

The second option - leaving the property vacant for your own occasional use and that of your relatives and friends - sounds like an expensive choice. It produces no income but the property still requires upkeep and, possibly, the maintenance of a mortgage. There is also the potential tax

pitfall of "available accommodation" and its effect on expatriates running businesses which are carried on mainly abroad.

There is a further disadvantage. If the property is left vacant for weeks at a time there is the risk of "creeping shabbiness" or, worse still, weather damage or vandalism. If you intend to return to the UK, the most practicable option is to rent out the property. This keeps it "lived in" as well as producing income.

There is usually no problem in letting your house, but remember to disclose your plans to your mortgage lender. The majority of building societies and other mortgage lenders take a relaxed attitude, but some pretend to be old-fashioned as an excuse to charge a higher lending rate when you let out the property.

There was a time when a higher mortgage rate for absentee landlords might have been justified, but the UK's Housing Act of 1988 introduced two new forms of tenancy - the assured tenancy and the assured shorthold. The legislation makes it almost certain a landlord will be able to recover possession of a property at the end of an agreed term, which may be as short as six months.

Peter Gartland

Peter Gartland is Editor of *The International*, the FT's magazine for expatriates.

Sara Webb sheds light on a potential tax hitch

A problem with TESSA

EDMUND LEES of Pembroke has written to ask what happens if you save money in a tax exempt special savings account (TESSA), but die before the savings mature.

With a TESSA, you can pay in a total of up to £9,000 over five years (up to £2,000 in the first year, and up to £1,600 a year thereafter). As long as depositors do not withdraw any of the capital during the period, the interest will be paid gross after five years.

However, although any withdrawal of capital from a TESSA within the five years will lead to a loss of all tax

advantages, you can withdraw interest as it arises. You are allowed to take out the full amount of interest credited to the account, minus the basic rate tax. But after five years, the depositor gets a bonus representing the money which would otherwise have gone in tax plus the interest that the money has earned.

Lees writes: "Although the Chancellor has called it a savings budget there is an anomaly as far as TESSA is concerned in that it will not appeal to the elderly unless it is changed so that death is not penalised in the same way as

withdrawal of capital." Lees is concerned that if an elderly person dies before the five-year period is up, the interest will be paid net of tax.

In fact, the Inland Revenue statement on TESSAs states that "where the depositor dies during the five-year period, then the account will terminate; but the money can be paid into the estate in full. There will be no income tax charge." In other words, the interest will be paid gross. However, if the estate is worth over £25,000, the excess above that level is liable to inheritance tax at 40 per cent.

An executor stands alone

SOME YEARS ago I agreed to be appointed executor of the will of an elderly relative. My

relative has just died, and his solicitor tells me that there is a lot of estate. I have no wish to act as joint executor.

I foresee delays and complications in gaining the joint executors' agreement to every action that must be taken, and his signature to every document that must be made.

I am thus only prepared to act if he will stand down so that I become the sole executor. I am prepared to act and down myself if he agrees. Assuming that he does, can I then have precisely the same status as I had been pointed sole executor under a will?

a) Is a letter of resignation on his part sufficient evidence for all purposes that he has done so and is there a specific form for such a letter of resignation?

b) Are there any hidden problems in this scenario?

c) Your status would be the same as that of sole executor of the original nomination in the will. If the other executor nominates probate. The executor who is not going to act should write a letter stating that he wishes to discontinue probate; he can dress that to the Chief Probate Registrar. No special form is needed, nor should there be any special problems.

Informant's reward

MY WIFE and her sister recently received letters from an informant which indicated they might be able to claim money.

However, they were required to sign an agreement which instructed a third party holding the funds to pay one direct to the informant before any information would be provided.

Subsequently, they learned they were to benefit from an estate, in Germany, being inherited by the deceased. However, although distribution had not yet been effected, we were told by the administrator that he intends to discontinue the agreement and distribute only to the beneficiaries. This has also been confirmed by the advocate acting for the estate. Can you give an opinion on

the agreement, which was intended to bind a third party, and tell me whether the situation provides an opportunity to negotiate, without duress, the terms of the agreement, based on time and expense, plus a generous reward factor?

The agreement which you describe cannot bind third parties; but it may be that you cannot escape having to pay the informant what he would have obtained had the administrator observed the terms of the agreement (assuming that it was only on the informant's disclosure that you effected contact with the administrator).

Change of ownership

MY WIFE and I own three small houses which we hold jointly. As a result of reading many of your articles on how to cut tax liability (in this case inheritance tax) we realise it will be beneficial to alter our holding from joint ownership to tenants in common.

I understand that this is fairly simple to do between husbands and wives, and only requires reciprocal letters from one spouse to the other which should be included with the deeds of the properties.

I also seem to recall that you suggested a specimen letter which would be legally acceptable, but I cannot remember the exact wording suggested.

It is not necessary to have reciprocal letters; a letter from one spouse to the other will suffice.

This should read: "I hereby give you notice of my desire to, and I do hereby, sever the joint tenancy between us in the property known as (description) to the intent that we shall henceforth hold all (that/those) (property/properties) as tenants in common in (equal) shares."

Tax view on house

I AM IN the process of buying a small house in France in which I anticipate spending up to six months a year.

I shall continue to occupy my present house in the UK as my principal residence, and shall remain domiciled in the UK.

Can you tell me whether, in

Q&A BRIEF CASE

No legal responsibility can be accepted by the Financial Times for the answers given to these questions. All inquiries will be forwarded by post to the solicitor.

the event of my death, this second house abroad will be aggregated in my estate and become chargeable to inheritance tax?

As you are domiciled in the UK the property in France will be included in the assets chargeable to inheritance tax.

Power of attorney

I RECENTLY sold my house while I was working overseas. My solicitor a general power of attorney so that the sale could be completed in my absence.

However, the solicitor still sent me the deed of transfer to sign by post and this has caused a delay in getting the sale money into my bank account.

Could you tell me if it is legally mandatory that I, as the house owner, should sign this document and have my signature witnessed, or could the solicitor have done it with the power of attorney?

The solicitor could have used the power of attorney (if it was not expressly restricted so as to limit its operation).

Pension query

I AM 73 years old and a retired basic rate taxpayer. My wife receives her state pension based on my National Insurance contributions. For most of the latter half of my life I was self-employed and contributed money to personal pension policies on a single premium basis. I deferred taking these pensions until I was 75.

I have annuities paid to me by a number of life offices, and most of them are on a joint life and survivor basis, with the same amount payable after the death of the first spouse.

All contributions were made by me, but I would like to know whether, under independent taxation, half the income of the joint life annuities can be claimed to be those of my wife, and a refund of tax (deducted at source) repayable

on application to the Inland Revenue. In other words, can the private pension be dealt with on a similar basis to the state pension?

The answer is no, unfortunately.

You may like to ask your tax inspector's office for the following free pamphlets: IR41 - Independent taxation: a guide for pensioners, and IR50 - Independent taxation: a guide to tax allowances and reliefs.

A null and void will

WHEN A will is declared null and void does this also relate to the clause "I revoke all previous wills"?

If the will is held by the Court not to be the last will of the testator, or is declared void, for example, because of undue influence, revocation of previous wills is also without effect.

The last previous will would thus be the effective true will of the testator.

Careful phrasing

OWING TO old age and physical infirmity, I have given power of attorney to a relative in case of need.

Does this, never the less, give him power to buy and sell shares at any time on my behalf without reference to me? A casual remark of his made me wonder. I should object to this.

It would be necessary to construe the phrase "in case of need" in the context of the circumstances surrounding the giving of the power and the language of the power itself. If the shares were sold to generate money to meet your need the power would be properly exercised.

Tenancy in common

MY WIFE and I hold funds in joint accounts in a building society. We have each made a will bequeathing the maximum sum that is exempt from inheritance tax to our children.

When one of us dies will the Inland Revenue view our joint accounts as a tenancy in common, or as a joint tenancy? The latter would not allow funds for legacy.

The accounts will be treated as a tenancy in common, so long as each of you have operated the accounts from time to time.

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PERSPECTIVES

Mother nature meets the balance sheet

British zoos are facing a dilemma: should they go down the road to profit or stick to animal conservation and science. Tim Burt reports.

THE SNOW Leopards in their cages look miserable. Their speckled white fur is out of place against the green of southern England, some 5,000 miles from their Himalayan habitat. The look from a black steam locomotive a few yards away makes the big cats lower from the mesh fence and they have learned to ignore the shouts of children queuing at the adjacent attraction – a ci-fi experience designed by Litachi.

This is Chessington, one of Britain's most profitable zoos. Endangered species share space with rollercoasters, a wild West village and fairground rides. The mix of theme park and zoo has boosted turnover at the Surrey site, which has renamed itself a "World of Adventure".

The zebras there do not look any adventurous. Their enclosure gives the impression that these grass eaters are desert animals. There is hard sand under hoof and a small bundle of dried grass in one corner. The striped animals pay no attention to the Safari Skyway, yellow monorail which runs overhead.

The fortunes of Chessington, which is owned by the publishing group Pearson, reflect the dilemma facing Britain's zoos. Animals either seem to be exhibited as part of a profit-making business or they are kept for the purpose of conservation. Chessington, which says its animals are kept in unsatisfactory conditions, and says it takes part, together with other zoos, in captive breeding programmes for a variety of endangered species.

Chessington and safari parks like Windsor are businesses and they make money. London Zoo and rural wildlife parks such as Howletts and Port Lympne in Kent see breeding and research as their main aims. They lose money.

London Zoo, based in 85 Old Bedford Square, with a rural offshoot at Whipsnade in Bedfordshire, is determined not to

follow the Chessington route into profitability. Instead it has embarked on a number of fund-raising schemes which the Zoological Society hopes will save it.

The zoo has recruited an unlikely couple to help make the capital's animal showcase a self-sufficient attraction. Andrew Grant, a 43-year-old business executive from California, is now managing director. Grant is credited with turning San Diego zoo into the most successful in the world. The American has been teamed with Lady Daphne Park, former principal of Oxford's Somerville College, who is director of the Zoo Development Trust. Lady Park's "Miss Marple" looks disconcerting to a sharp business mind. She has no illusions about the crisis facing the 155-year-old zoo. If the £25m needed to refurbish London as Britain's flagship zoo is not found "it will sink," she says.

"I find it difficult to understand why the zoo does not get a government subsidy. This is too important an institution to be left to go under."

London Zoo officials are aggrieved that they receive an annual grant of only £1.3m for research when attractions such as Kew Gardens and the Natural History Museum receive more than £30m a year.

The Zoological Trust, chaired by Sir Gordon White of Hanson Industries, is turning to business for help. The oil companies BP, Shell and Esso have made large donations, as has Barclay's. And this month, more than 1,000 City financiers will pay handsomely to attend a fund-raising ball at the zoo in a bid to save it from extinction.

But David Jones, the zoo director, fears the contributions from guests in dinner jackets or in formal dresses may not be enough to preserve the site. "To really create a zoo of the future will cost up to £50m. But we are not getting the money. It is the Government's responsibility," he says.

The Zoological Society should not consider that kind



A giraffe on show at Chessington World of Adventure: one of Britain's most profitable zoos

of money on an urban site, according to zoo managers at Howletts and Port Lympne, the wildlife parks in Kent owned by gambling millionaire John Aspinall. The two zoos, housed on country estates, are primarily breeding centres for endangered species. Their long-term aim is to rehabilitate animals back into the wild.

Robert Bourwood, administration manager of the jointly-operated zoos, applauds London's record in rehabilitating endangered species such as the Arabian Oryx to Oman, and the Arabian Gazelle to Oman, and the Arabian Gazelle to Oman, and the Arabian Gazelle to Oman.

"Our keepers, contrary to the practice in most other zoos, are encouraged to enter the enclosures of the animals and

befriend them," says Aspinall. The cost has been high: three keepers have been killed by unfriendly animals.

The efforts of the two zoos – where you can spend half a day without seeing an animal close in because secretive species like the Black Panthers are encouraged to remain just that – are praised by Zoo Check, the conservation and research group.

Bill Travers, the former actor and star of *Born Free*, founded Zoo Check with his actress wife Virginia McKenna to raise awareness of the plight of animals in captivity. The couple believe that zoos are out of fashion. Wildlife films

and documentaries such as the award-winning *Life on Earth* give people a truer impression of the animal kingdom. Bill Travers says the view on the small screen is better than the view of a small cage.

Many schools prefer to use educational videos rather than visit zoos. Government regulations banning schools from changing pupils for day outings has prompted many schools to curtail such outings.

Educational visits to London Zoo are down 42 per cent, according to a Labour Party survey published this week.

Bill Travers, meanwhile, thinks zoos should be educating more people about rehabili-

tation projects. But few have followed the example set by London or the Aspinall zoos, which are now negotiating with the Peking Government for the reintroduction of the Przewalski Horse to areas of Mongolia where it is extinct.

The Kent zoo parts say they are inundated with applications from keepers at rival sites such as Chessington where the emphasis is on pleasure rides. "It's unclear to them where the circus stops and the zoo begins," says Bourwood.

Travers is more forthright. He wants Chessington to decide either to be a background or an animal park. He thinks the two cannot be married. "The animals have become sideshows," he says. Zoo Check is also sceptical of breeding policies which cannot match the rate at which man is said to be wiping out species – one a day, compared with estimates that evolution discards a species about once every thousand years.

The cost of preserving species is beyond the means of all Britain's zoos put together. The New York Zoological Society told reporters last year that over 20 years it would cost \$23bn to sustain a population of 500 examples from the world's 2,000 most endangered species more than Nasa spent putting a man on the moon.

Luxor is being built in the latest bid to woo motorists for a drive-in safari.

Like London, Windsor has looked across the Atlantic for commercial advice and has found it in the shape of Doran Carrell, a general manager imported from Six Flags, the theme park chain based in Texas. Carrell's former employers grossed \$40m a year from one theme park in Georgia.

"This business is no different from any other business. We've got to keep our product fresh and new," says Carrell. Some of Windsor's "products" – the animals – are not too fresh.

The largest pride of lions in the UK seems fairly intoxicated by the line of cars snaking through the compound. "They spend 90 per cent of their time resting," explains the guide.

But Windsor is concerned enough about exhaust fumes to ban cars this summer and move its visitors on to a fleet of road trains. Carrell is confident the £10m being invested in its "African Adventure" will pay off. "Profits give us an advantage to invest in conservation. We are a successful business and we still have a very successful breeding record. People come to see animals, they don't come to go on rollercoasters," he says.

Rollercoasters have, however, made Chessington more popular than Windsor, according to figures published by the British Tourist Authority. Windsor wants to close that gap and its new road trains are not very different from the rail-road which carries visitors around its Surrey rival.

Passengers on the Windsor train may be disappointed by the bear compound, one of the few designed by an expert in animal behaviour: there is not a bear to be seen. The animals at Chessington, where we started, cannot avoid being seen. The metal doors on their huts are shut while the turnstiles are open, and there is nowhere for them to hide. The snow leopards peep around the perimeter of the cages looking for a way out.

IT IS AN irony of history that the most famous old boy of Manchester Grammar School should have been a drug addict. But Thomas de Quincey, the opium eater and writer who spent an unhappy 18 months at the school in 1800-1801, is wholly unrepresentative of the MGS product today. Founded in 1515, the school is now, and has been for at least the last half century, a bastion of bourgeois respectability and academic excellence.

Its declared aim is to educate young men for careers in the professions, the church and business. Its unstated objective is to get as many of its 1,500-odd pupils into Oxbridge as possible. In both cases, the school has been prodigiously successful and the business immunities of Manchester in London, as well as the colleges of Oxford and Cambridge, full with earnest, successful old Mancunians.

I spent eight years at the school, and it is now nine since I left. I keep in touch with only a handful of friends from MGS, and I fear we all harbour something of a grudge against this venerable institution. This is tempered by a sense of reluctant gratitude to the school for giving me a good education. It is more than balanced by memories of unrelenting rigidity in the classroom, of being on the receiving end of a conveyor-belt education.

I have long wanted to get back, if only to find out whether my jaundiced view would have to be modified after a near-decade in the outside world. Architecturally, the place is a monstrosity. The main quadrangle is forbidding and gloomy, drawing its aesthetic inspiration from a range mixture of Colditz Castle, Christ Church and the cotton mills that used to utter downtown Manchester.

Appropriate imagery persists: imprisonment, Oxbridge, a work ethic (even the work-ethic) were the themes of my years there. The small of a place took me straight back. A visit to the common room was eerie: the masters are recognisably the same as those who taught me, but noticeably older. The bell to assemble sounded and there is a buzz of purposive activity. Those who recognised me were courteous but in a hurry. There are no fewer than five semesters for boys to choose from: non-religious, Jewish, Christian and more recently, a catch-all for the school's growing population of Hindus and Muslims. I went to the non-religious one, I think. Boys read a stream of scintillating bits from the MGS chess team, the bridge squad, the rugby side, and after each announcement the hundreds of boys would break out in thunderous applause. This was the non-religious assembly, but that was being celebrated was a religion of success.

There are signs that the character of the school is changing, but only slowly. One



Manchester Grammar School: respectability personified

Back to School

The religion of success

David Waller revisits Manchester Grammar and finds it still a bastion of bourgeois respectability

ness and reticence. In the politics lesson, the master read from his notes on the history of the British Parliament whilst the boys jotted and jotted. There was no debate. "Normally the boys make much more of a contribution," the master told me afterwards, "but they clammed up in the presence of an outsider."

This is one of the odd aspects of the school: many of the pupils are shy and lack self-confidence, displaying a social awkwardness in marked contrast to their level of academic attainment. "Ask a boy to get up and sell himself, to tell the world what his good points are, and he won't be able to do it," lamented one female teacher. "Self criticism comes a lot more easily."

Beaten down by the system, MGS boys become cynical, sceptical, even sarcastic. They respect authority instinctively and learn how to operate in large, bureaucratic environments. They are thus very employable as tax lawyers and auditors, but whether they are fully-rounded human beings is another matter.

The boys are fully conscious of their browbeaten state. One of the lessons I attended was turned into a question and answer session, with me asking the questions. What did they think of their education, I asked. After initial reticence, one came a litany of complaints. The master looked on benignly whilst the boys voiced the common complaint that the system stifled all personal initiative. As in my day, there is little scope for the boys to do anything for themselves. And the spirit of the place is strictly utilitarian: little is done unless it has a purpose, normally associated with the enhancement of A-Level grades.

There are signs that the character of the school is changing, but only slowly. One

significant departure is the introduction of life skills classes. I didn't attend one of these but apparently the boys are taught about contraception and – most remarkably – about how to begin and end relationships with members of the opposite sex.

The school has also introduced life classes for its art students, a major advance. This I found difficult to deal with: nudity and the Manchester Grammar School.

I f you suggest that MGS is no more than an exam factory, the masters argue that the rigorous academic content of an MGS education is balanced by a diet of optional subjects and by opportunities to join some 50 school societies, from rock-climbing to philosophy and playing with trains. There are also plenty of school-arranged treks and camps. My counter-argument is that the boys play no part in organising events.

Geoffrey Parker, successor to David Maland, High Master in my time, maintains that the school provides excellent value for money, with fees of only £2,700 a year. "Schools can only do so much," he continued, pointing out that MGS, for all its reputation nationally, is a local school drawing people from disparate backgrounds and a large regional area. Under the circumstances, he argued, MGS boys received a tremendous amount of non-academic education.

I suggested abandoning the life skills classes and accepting girls at the school instead. The sweat-shop atmosphere would vanish overnight and the place would become much more relaxed. According to Parker, this is not practicable. It appears that such a move, however desirable from the boys' point of view, would sound the death-knell for a number of local girls' schools. Thinking back, the one term

I unreservedly enjoyed was that leading up to the Oxbridge exams. Thanks to a pair of enlightened English teachers, I enjoyed a period of sustained intellectual stimulation which has never been repeated either at university or at work. Now the entrance exam has gone and the Oxbridge term with it, the masters complained that the donnish atmosphere of the place – which made it so attractive for them to work there – had vanished. Ironically at the initiative of the very universities that the school has always set out to serve.

Another complaint from the masters was that the social mix of the school had changed, after the loss of its direct grant. The boys are still clever, no doubt, but they are more likely to be clever and well-off than poor but promising. This is a sensitive area and if true, it represents a break with the school's tradition: in earlier days, decades before Shirley Williams abolished the grammar school, MGS used to claim that it could provide a "ladder of opportunity" for a boy of any background.

This was too big a topic to explore in just one day. I left impressed at the school's awesome single-mindedness, its professionalism, but depressed by the boys' willingness to sit there and be lectured to in the classroom.

Yet colour and eccentricity can flourish even in this earnest environment. The best example was the case of David Maland, who abandoned his post as High Master at the age of 55, to start a new life as a barrister. This risky move must have appeared odd if not outrageous to the masters of MGS and the burghers of Manchester: now his practice is prospering. I hope today's generation of MGS schoolboys keep it in mind when planning their futures.

Genius of the Place

A toast to Nelson's Touch

IT WOULD be rash to estimate the number of British public houses to which Nelson is synonymous: less rash to claim that none is more committed to the memory of that hero than the Lord Nelson at Burnham Thorpe, on the north Norfolk coast. It is a sloping, poky place, with no conventional bar and no conventional proprietor. The seats resemble pews, and once ensconced in them you are treated with all the deference and disdain that a minister might show to his congregation.

A plot of butter? No, no: that is not the drink of worshippers here. We are by the admiral's birthplace. If we wish to share in the rightful communion at Burnham Thorpe, we must take a glass of Nelson's Blood.

Nelson's Blood? The very name of the tincture puts one in mind of the scarlet-washed floors of the surgeon's cabin on the HMS Victory, Nelson's flagship, at Portsmouth. It is, of course, a rum-based concoction, mingled with Indian spices. It will bolster the spirits for a stride along the beach or for a lobster hunt in one of the local restaurants.

To the men who dispense this Nelson's Blood, the Battle of Trafalgar happened yesterday; visitors to his hostelry will either be delighted or deeply irritated by the cultivation of that 1805 battle as our deliverance from the Corsican scoundrel, Napoleon. With European union a chronological stone's throw away, what can we toast with our Nelson's Blood?

I know a few old sea-dogs who will raise a glass on October 21; but to most of us, Nelson merely presides over riots and ice-cream, an effigy bewigged with pigeon dung in Trafalgar Square. It takes some effort to realise quite what a popular hero he was.

In 1802, he went on a rare holiday to Pembrokehire, Wales, in that extraordinary

nary trio that was himself, Emma and the tolerant or myopic William Hamilton. One can still follow the route he took through Wales and the Borders by tracing the plaques, follies and monuments left in the wake of a consistently enthusiastic reception. Old bones blew their whistles in the crowd, and Nelson recognised the man from the sound. Landlords pulled out their best claret. And in Monmouth, there was so much excitement and memorabilia that a museum sprang to record it. Trafalgar augmented what was already a widespread adulation, and a century later that adulation had scarcely passed: most local museums in Britain have photographs of the mass celebrations that took place on Trafalgar Day in 1906.

Would you all now be reading *Le Monde* were it not for Lord Nelson? Certainly the proprietor of the shrine at Burnham

Thorpe will produce testimonies of Nelson's unusual courage – if courage can be defined by lack of fear – and may explain "the Nelson Touch," the simple tactics that won the French.

But something more is needed before we grasp what it was that made Nelson a hero. Look for Nelson's place of birth in the village and you find an inscription on a wall which once pertained to the parish rectory. No more is needed. To know that Nelson was a son of the manse is to understand his popularity. Concern for the welfare of sailors is not a conspicuous feature of the Georgian navy, but it is obvious that Nelson cared for his men in a pastoral way. He was no snob; his own route to the admiralty had been difficult; and "the Nelson Touch" could refer as well to his genius for handling subordinates as to his strategies.

He was not a saint, but he wore his venial sins as gracefully as his scars, and his weakness for Lady Emma is pardonable as soon as we see her portrait by Reynolds. Whatever criteria cast her as a beauty in her age, they have not altered, and evidently she also gained Nelson's confidence as a friend. Others marvelled that Nelson could be so silly as to entrust a house purchase to this flighty girl, and then marvelled that she did indeed make a shrewd purchase. And that was Nelson's gift: to bring out the best in those around him. He inspired confidence.

The signalled message at Trafalgar was "England expects that every man will do his duty." But the original message given by the admiral was more familiar: "Nelson confides that every man will do his duty." Nelson has faith. That is why he is still worth raising a glass of Nelson's Blood at Burnham Thorpe: you are drinking to the memory of a truly admirable man.

Nigel Spivey



Nelson in the uniform he was wearing when he received his death wound

When travel begins at home

A CANOE had been pulled up on the shingle. Close by, natives sat cross-legged, murmuring in small groups. Under a hot sun birds hopped among the leaves of a tree so overgrown it swept the ground. Tangled vegetation encroached on every side. One thing was certain: the garden of the Royal Geographical Society needed somebody to cut back the shrubbery and dig the chickenweed out of the lawn.

As jungles go, the one behind the handsome brick building at One Kensington Gore was tame in the eyes of most of the 300 participants in a seminar on independent travel who gathered there two weeks ago to hear speakers tell of rambling in Ecuador, conservation in Nepal and cycling to Victoria Falls – from Victoria Station. The canoe was one of several equipment displays and the murmuring was the sound of trips being planned, sponsors being sought and reputations being made.

The seminar was organised by the Expedition Advisory Centre, an office of the Royal Geographical Society which

operates on a £30,000 annual grant from Shell for the chief purpose of providing information and training to young scientists about to undertake fieldwork overseas. It is also willing to put purposeful travellers of any description in touch with recognised experts who can assist them.

"Often it is the independent traveller who spearheads the way into new areas," says Shane Winsor, information officer for the Centre and the RGS.

"Because the Society has this enormous corpus of expertise, there is a relationship between scientific exploration and independent travel to remote areas."

Some travel, if not scientific, is at least empirical. In the lecture hall, Jasper Winn explained that hobbies had been ineffective in tethering at night the horse he rode from Pex to Marrakesh through the Middle Atlas mountains.

"However, it doesn't take a Sherlock Holmes to track a hobbled horse. You soon recognise the spoor: one, two, three – skip – one."

Some visitors felt that four

wheels and a 2.5 litre diesel turbo engine were to be preferred to four legs and a saddle. James Tyson, a 29-year-old insurance broker with Lloyds, was preparing to chuck in his job to ride a Land Rover to Cape Town. He seemed to disagree with Henry David Thoreau (not a great traveller himself – it is worthwhile to go round the world to count the cats in Zurich).

Delegates listened thoughtfully to a talk on travellers' health given by Richard Dawood, who had a warning about the plagues you can acquire from fruit and vegetables you haven't peeled yourself. The tomato and the celery stick and the cucumber served with stuffed pitta made lunch an even more thoughtful affair.

Paradoxically, the best traditions of the Royal Geographical Society were probably upheld by a young geologist called George Monbiot who penetrated Irian Jaya (the western half of the island of New Guinea) under difficult conditions to investigate the displacement of indigenous peoples by migrants from other

parts of Indonesia. The age of geographical discovery is finished, he says; the age of political discovery is just beginning.

"I believe that travel in itself is worthless. It can help simply to reinforce prejudices. Unless it happens to be a particularly well-researched trip you don't actually learn a great deal. I think it is a fairly self-indulgent thing, and often very destructive."

"There is the idea of being in a place, being seen by the local people as tripping through there unaware of what is going on and giving them a strong feeling of being the victims of the whole world's negligence."

You can see his point. In a leaflet offered by one of the travel organisations displaying their wares, a correspondent in Kokomo, Indiana, noted that the Fijians "are Melanesians who have dark skin, fuzzy hair and thick lips – a happy people." The seminar was the third of its kind hosted by the Expedition Advisory Centre, which clearly has a lot of good work to do yet.

Peter Miller

FOOD & WINE

A fine drop of home brew

IF YOUR household is anything like mine, it enjoys its greatest influx of foreign visitors at this time of year. If you are anything like me, you find yourself looking for the ideal wine to drink out of doors at this time of year. If you are anything like the typical Briton, you will foolishly ignore the most obvious response to both these situations: English wine.

The British are absurdly apologetic about the produce of their own vineyards (called English wine to differentiate it from British wine, which is made from reconstituted grape concentrate imported in bulk). They probably tasted one rather badly-made English wine 10 years ago, decided it wasn't as good as a Chateau Latour or a Leflaive Montrachet and haven't let one past their lips since.

But for how long can they ignore the elegant and useful domestic product at the expense of bottles shipped in from the other side of the world? Some time soon the penny must drop: long, hot British summers mean fully ripened grapes with the good natural acidity which modish "cool climate" wine regions such as New Zealand and Oregon boast. There is now every sign of skilful, even daring winemaking in our 150-odd wineries vinifying the produce of more than 400 vineyards who can muster about 2000 acres of English vineyard between them.

They have been cutting down on the sulphur (necessary in small doses: throat-irritating in large), the emulsifying filter pads and the (usually German) grape juice added to disguise high acid. Some are, perhaps inevitably, experimenting with oak ageing, the traditional fermenter and Chardonnay, but most are managing not to copy the rest of the world, retaining their distinctly English cool raciness.

I have just tasted a range of English

1989s, together with one or two older wines, and couldn't leave the specialist wine merchants Harcourt Fine Wines (9 Harcourt Street, London W1, tel: 071-723-7202) without buying as many bottles as I could comfortably carry home. For less than £20 I secured four wines that I would be, indeed have been, proud to offer anyone. Wines that are well made, dry enough to serve with food but fruity enough as an aperitif, and sufficiently aromatic to enjoy in a garden where the scents of Chardonnay and champagne can so easily be wafted away.

I thought the label of the clean, scented

Jancis Robinson finds much to admire in the latest English wines

Nutbourne Manor Bacchus Dry 1989 from Sussex, quite delectable. But apparently someone at the English Tourist Board was so affronted by the unclotted infant Bacchus so carefully drawn on it that they cancelled a large order. I served this wine to the man in charge of promoting New Zealand wines to the outside world. He admitted that it had something of the frank, clean, racy fruit of his own protégés, plus an interesting layer of spice.

Not bad for £5.25, although Nutbourne Manor's owner would presumably want rather more for it: the 14-acre vineyard on the South Downs is currently up for sale. The best was at £2.98 was the 1988 Dry White from Hambleton in Hampshire, England's first ground-breaking commercial vineyard when planted in 1951. It has changed hands recently but I will remember the old owner, a delightful Major Gen-

eral, showing me round the vineyard and then apologetically offering me a glass of brewer's sherry in the drawing room, saying he couldn't afford to open a bottle of Hambleton. The new broom has clearly swept for the better around the winery. This blend of Chardonnay, Pinot Meunier and Seyval grapes grown in 1988 is a nicely integrated, whole, scented dry white with character.

My third white was the memorably named Breaky Bottom's Miller-Thompson 1989 at £3.75, which was admirably delicate considering the name. It has lots of zip and clearly some development still to come, although like most 1989s it exudes ripeness and drinkability. (It is not widely appreciated that many English wines, particularly those made in less warm, less ripe years, not only can but should age. In England as in Germany, the greyer the summer, the higher the acidity and the longer the wines take to soften.)

I would have bought a truly charming English red made by someone I have never met but with a truly charming English rose sort of name. However, Julia Bridgewater had sent only enough Combehurst Red 1989 to taste rather than sell. Harcourt Fine Wines should by now sell this pretty, textured, soft, Grenache-like and almost classically crisp English pink at £5.95.

Indeed I made a really bizarre purchase, a perfectly respectable red from Meon Valley in Hampshire. It was probably auto-



Carl Koenig, director of Harcourt Fine Wines, with a selection of English bottles

but for heaven's sake serve it slightly cool, with the label well hidden. In this house, hold it was preferred to a much more generous and more expensive Tuscan red. Meonwara's acidity is on the high side, but then 1987 was one of the meanest vintages on record.

Other English wines that impressed me from Harcourt's selection included: Carr-Taylor's 1989 Reichensteiner at £5.75; Harrow's yet-to-be-released 1988 from Dorset; Pilton Manor's 1988s from Somerset; Wootton's 1989 Somerset Schniburger, an extraordinary sweet white 1989 Late Har-

vest Scheurebe from Thames Valley in Berkshire at £4.50 per half-bottle; and an antique, Stocks Worcestershire 1983 Müller-Thurgau Dry for just £3.95.

However, what I can't understand is why more English wine producers don't emblazon their labels with their telephone numbers. French producers do this quite brazenly and, presumably, profitably. Buying from "my own little supplier in Avize" is part of the French wine-drinking way of life. Does no English wine producer wish to be "my little supplier in Tenterden/Saxmundham/Sneyton Mallet"? In my

experience most English wine producers' telephones ring deep throats, offering rural throaty nostalgia to boot. If 1989 was English wine's year of quality - many wines reached alcohol levels on a par with the Bordeaux average - 1990 should be a great year for quantity, thanks to vine wood ripened by last year's benevolent temperatures. Although, once someone in Brussels reckons that more than 25,000 hectolitres of English wine have been made in a year, they will doubtless start devising a complex compulsory distillation scheme.

Cookery

The greening of summer

THIS IS the most exhilarating time of year for a cook. Summer produce is beginning to flood into the shops and things are flourishing in the garden.

I still feel as excited as a child when I pull the first radishes of the season and, when they are fast-grown and mild, I still rate them one of the best nibbles to enjoy with pre-prandial drinks. I like to serve radishes whole, not trimmed, and to show them off on a blue plate: the green leaves stay wet from rinsing, the roots rosy pink, juicy and crisp.

I used always to serve radishes the traditional way, with curls of sweet butter and a little pyramid of Maldon salt. Last summer's heatwave put paid to that. Now, rather than risk the butter melting to an oily puddle, I have taken to partnering radishes with slivers of salty feta cheese. Sometimes I also serve them with outcubes and a few black olives for their contrasting textures and tastes.

In the vegetable-nibbling stakes, the only real rival to radishes is young summer carrots. Their tapering pale orange fingers, as slim as a young girl's, are as tender as jelly and their wonderfully fresh and fragrant bite make them irresistible.

The first carrots of the season made their debut at my local greengrocer last week. He grows them himself and takes justifiable pride in the fact that they are sweeter tasting, less forked and much earlier than those of neighbouring gardeners and shopkeepers. Regular shoppers eagerly await the arrival of these carrots and home in on them as voraciously as carrot fly.

Young summer carrots are exquisite barely blanched or briefly steamed, served with poached chicken and sauced with a cheesy vinaigrette à l'oignon. They are lovely too in a composite salad, as in the recipe below, but I can't help feeling that they are best of all simply washed and munching raw, like radishes.

The feathery fringes of carrots are so decorative that I have often been tempted to serve carrots in their entirety, as pulled from the ground. Alas, it is not practical: the sweeping greenery, like a royal bridal train, really needs attendants to carry it. (Followers of fashion may like to note, however, that the foliage can be worn, pinned to hats and dresses in celebration of summer's arrival, as was the charming custom in Stuart court circles.)

Back in the kitchen I am a most unwilling Delilah. I chop the foliage off - well, most of it, not all because that seems criminal. I cannot resist leaving a couple of centimetres attached to the root in order to retain a modest display of the young carrot's ravishing colour combination of pale orange and pale jade. I have persuaded myself that this practice is essential after all. If it were not for the vestigial tuft of greenery, how would Miss Daintily pick up and hold the root as she nibbled it?

Some people like to dip raw carrots into, say, ahi, hummus or tahini, skordalia, mayonnaise, tarator, toasted and bruised sesame seeds, or guacamole. Delicious though these sauces and flavourings are I find them too pronounced for the delicate taste of juvenile

carrots. Olive oil is as much as I want in the way of accompaniment. Even that is unnecessary. The unadorned crunch of fresh young summer carrots is treat enough.

GARDENERS' TUNA SALAD (serves 5-6)

This is one of my favourite ways to serve smallish quantities of several different vegetables, whether home grown, bought, or a mixture. Readers with gardens will find it particularly useful in early summer when often the garden will yield only a few things of this and a little of that. The problem of not having enough of any one vegetable to serve on its own is exacerbated, of course, if you share my habit of inspecting the troops in the



vegetable patch while deciding on menus and you sample too greedily in the process.

Do not feel daunted by the ingredients list given here. Treat it as a suggested starting point, only, and use more or less weights or different types of vegetables depending on what is freshest and best.

1 lb new potatoes, as small and as freshly dug as you can get; 1 lb young summer carrots; 1 lb French beans; 1 lb shelled weight broad beans (frozen broad beans tend to be better than the so-called fresh broad beans to be found at the average greengrocer); 1 lb dwarf sweetcorn; 1 lb cherry tomatoes; 1 to 10 garden radishes; chopped spring onions or chives; 1 x 7 oz can of tuna fish; 1 punnet of mustard and cress; vinaigrette dressing.

Put a few tablespoons of vinaigrette dressing into a large bowl. Add a handful of chopped spring onions or chives and the thinly-sliced radishes. Steam the potatoes, carrots, beans and sweetcorn, adding them to the pan in that order as the potatoes will take longest to cook while the sweetcorn will need barely three minutes to lose its raw edge.

After steaming, blot the vegetables dry. Cut the French beans into half lengths and halve the potatoes, or quarter them if they are not as small as you would wish. Add all the cooked vegetables to the vinaigrette while they are still hot and toss to moisten and to impregnate them with the dressing.

Add the cherry tomatoes, left whole or halved depending on how cherry-like they are in size. Add the snipped mustard and cress and the canned tuna fish broken into small flakes (or serve the fish separately if vegetarians are present). Toss gently to mix everything and serve while the cooked vegetables are still a little warm.

For good looks I like to serve this salad piled on to a platter lined with fresh cabbage leaves. Cos lettuce leaves are too curly; butterhead lettuce goes limp too quickly. Serve with good crusty bread - black olive bread is ideal.

Philippa Davenport

Food for Thought

IN HIS classic gastronomic study, *La Physiologie du Gout*, Jean-Anthelme Brillat-Savarin tells the story of a prank perpetrated against the gourmet Bishop of Belley, Gabriel Courty de Courcy.

De Courcy was informed one morning of the existence of a promissory head of asparagus which had broken through the soil in the kitchen garden of the episcopal palace. "Instantly," Brillat tells us, "the bishop and his retinue descended on the vegetable patch to see if the story was true; as, even in a bishop's palace, it is splendid to have something to occupy your time."

The assembled clergymen were delighted at what they found. The head of the spear was already visible, rounded, mottled and gleaming. Over the next few days the column grew to a prodigious size, turning green through its exposure to the air. Alas, when the moment came for the Bishop to cut his princely snack it was found to be made of wood: the work of one Canon or an excellent painter and carpenter who every morning went out into the garden to pull a little more of his dud spear out of the soil. The Bishop, we are told, took the hoax in good faith. That evening the asparagus statue was given a place at table.

What does this story prove, apart from the fact that 18th century bishops were fond of their food? Well, for one thing it proves that 18th century asparagus, in Belley at least, was eaten green. The historical precedent for green asparagus would have come as a

Hot tips for asparagus

shock to my bar companion last week. I was back in Bourg-en-Bresse, not so far from Belley, and had taken to having my lunch-time snack in a little bar opposite the magnificent church of St. Jean. One afternoon there was a fellow at the bar, staring malevolently into his *ballon de rouge* and complaining about green asparagus. Whatever happened to good old white asparagus, he growled.

White on the wane? I was taken aback. Only two nights before I had eaten a dish of white asparagus in the pretty, belle-époque brasserie La Franciscaine in the centre of town. "Oh, in restaurants you still find it," said the man, "but the shops will only stock green."

So the French have joined the British and the Americans, the green asparagus eating nations, the Germans or the Spanish. The gentleman at the bar told me that the Germans were very particular about their asparagus, eating only that with a slight purple blush at the tip, which comes from allowing the stalk to break naturally through its soil. The Spanish are more particular

than the Germans even: although they ship green asparagus to Britain, the most highly prized spears are those dug out from under the ground in the province of Navarra.

Since March 1987, Navarra asparagus has been protected by a *Dénominación de Origen*, a sort of appellation *controlée* for the produce of the area to the south of the bull-running town of Pamplona. The best spears are pure white without even a hint of articulation at the head. In Britain this sort of asparagus is only available in tin. Caning roe asparagus of a good deal of its goodness.

In Britain the supermarkets now sell English asparagus in season, although both Waitrose and Marks & Spencer sell delicious green, Spanish-style. The other supermarkets - Sainsbury, Asda, Safeway and Sainsbury - are all supplied by the Asparagus Growers' Association. Michael Paske of the AGA gave me a brief informal guide to asparagus growing. Almost all English asparagus, despite the antiquity of asparagus-cultivation in the

Appetisers

THE Consumers' Association has just published *The Vegetarian Good Food Guide* (£3.95) which lists 900 cafes, pubs, hotels and restaurants in the UK which offer at least one interesting non-meat, non-fish main course.

Such a publication is long overdue and should prompt more chefs to cater intelligently for this growing number of diners. It does, however, carry the Consumers' Association stamps: worthy, but dull.

A far more lively read, as much to do with the subject matter as the publishers, is *The Irish Food Guide* (£3.95), compiled with obvious love and care by Sally and John McKenna.

For anyone planning a trip to Ireland this lists over more than 250 useful pages all the best suppliers in Ireland - from makers of farmhouse cheeses to bakers of soda bread and oyster fisheries. And in the index is a list of the best pubs and restaurants - Arbuthnot Lodge, Ballymaloe House, Doyle's - and many others.

Hotel chefs and proprietors have been offering some of the best value in eating out in London, but usually at lunchtime - the Capital Inn on the Park and the Meridien being among the best. Now the Portman InterContinental in Portman Square, W1, 071-492-5410 has taken this a step further and priced its dinner à la carte menu at the same price as its lunch menu at £24.50 for three courses, inclusive of VAT and service. The hotel also boasts, in David Dorrcock, a most enterprising British chef.

The Radford/Deane Restaurant of the Year award was won by Clarke's 124, Kensington Church Street, London W8 (071-221-9225). The menu for 30 - red mullet, fillets marinated with lemon and orange juice followed by grilled breasts of corn-fed pigeon with lavender and thyme - should have posed no problems, until the chef, arriving at 8.45 am, found that the pigeons, which should have been delivered at 8.30 am, had not arrived. The supplier in France had sent them to the wrong address (071-352-8045) and 20 pigeons winged their way over - by rail.

Edmund Penning-Rossell

High Street Wine

A better taste of Italy

Improved. An attractive Sperli. Lagana Ca del Frati 1988 (£4.95): A much more full-bodied wine, with a fruity aroma and a long taste in the mouth.

An excellent example of a wine little known here, coming from the southern shores of Lake Garda. Chardonnay Buchholz 1988 (£4.49): This Alto Adige wine from the village of Buchholz is made by Alois Lageder, one of the best white wine producers in the whole of the Adige valley. This will improve with some bottle age.

Chardonnay 1988 (£4.49): From the southern edge of the Chianti Classico district where very little is made this is a distinguished example, aged in small French barrels for a year. Not expensive in comparison with most French wines from this grape.

Barbera Alto Mare, Luigi Redaelli 1987 (£7.49): Langhe is a village near Barbaresco and Bertini, a well-known oenologist in this area, has shown what can be done with Piedmont's basic red grape. Matured in French oak for six months, it has a rich, oaky nose and a round, concentrated flavour. A mouthful of wine.

BOTH HANDS today are from rubber bridge. The first is not difficult, but I know many dealers who would not cope with the threatened danger. Let us study The Cutting Edge:

W 4 K 82 E 7
A 764 J 764 K 82
Q 543 S 82
K 105 S 82
K 105 S 82

West dealt with both sides game and bid one diamond. East replied with one heart, and South came in with two spades. West passed, and North's raise to four spades convinced the auction. West led the heart ace, on

but with more class than most. Pinot Grigio, Fudatti 1988 (£2.25): Pinot Grigio (Pinot Gris) is the smart Italian restaurant wine, but is often dull and lacking in character. This, from the hilly Collio district close to Yugoslavia, has a long, deep flavour: a wine of class.

Valpolicella Classico La Gioia, Allegretti 1986 (£6): Allegretti is one of a small number of really distinguished Valpolicella growers, and La Gioia vineyard overlooks Lake Garda. This has more depth of

flavour than the general run of Valpolicella, and an attractive nose. Good value. Valpolicella Amore Classico, Allegretti 1981 (£11.00): Made from semi-dried grapes and matured long in oak, this is the wine that Veronese producers are most proud of. This one has a fine, clear colour, a fresh bouquet and rich, full-bodied taste.

Carmignano Riserva, Capozzani 1985 (£10.50): Carmignano differs from Chianti in including up to 10 per cent of Cabernet Sauvignon which rounds out the typical, somewhat austere Chianti. This is made by Count Bonacossi, the essential developer of a wine about to be promoted to the Garancia (DOCG) status. It is much rounder, richer and smoother than most Chianti. A fine wine.

Chianti Rufina Riserva, Villa di Vetrice 1983 (£4.25): Although Chianti Classico wines secure most of the publicity, those from the Rufina district can be among the finest. Rufina growers, this has an elegant bouquet and a very well-balanced complete flavour now at its best. Very good value.

Chianti Rufina Selvapiana 1988 (£2.40): From one of the finest growers, this showed very individually at the tasting, with full colour, concentrated taste, but a good deal of typical acidity.

Chianti Classico, Isola e Olena 1987 (£4.50): This is a fairly light, example, easy drinking already and good

value, from a well-known company. Caparella, Isola e Olena 1986 (£11.75): Paolo de Marchi is one of the most serious Tuscany wine growers. This is 100 per cent Sangiovese and therefore a *vino da tavola* rather than a Chianti. With a year in small oak barrels and, unusually, a year in bottle before sale, this has very good colour, a well-balanced, not over-strict, flavour and will improve. Worth putting away a few bottles.

Chianti Classico Riserva, Fontodi 1985 (£8.65): Riserva Chianti must be three years old before being put on the market. Fontodi is one of the best producers. This has excellent colour, lots of fruit on the nose and taste. A wine of class worth the quite high price for a Chianti.

Chianti Classico, Felsina Berardenga 1987 (£4.95): With a big colour for Chianti, full-bodied with some acidity and astringency, this would go well with flavourful Italian food. Wine-cellarists also list wines by leading Veronese growers, including the Segrè-Alghini, Quintarelli and Tedeschi. I did not try any of their wines at the recent tasting. Winecellars give a 10 per cent discount on orders of a mixed case, and free delivery for minimum one-case orders within the orbit of the Portman Square wines must surely mature on route.

Edmund Penning-Rossell

BRIDGE

Coup is bound to work, because West must hold the diamond ace, but it is always worth a try - the non-dangerous coup may be the one forced to win the trick.

The next hand, which I played in the dim and distant past, is very interesting - here is The Straight and Narrow:

W 4 K 73 E 10
A 10 K 10
Q 853 S 8
K 105 S 8
K 105 S 8

West dealt at a love score and

started with one no trump, 12-14 points. North, my partner, doubled. I passed. West rescued himself into two diamonds, and North bid three clubs. He ought to have passed and allowed me to double. West would have lost his shirt. As it was, I bid three no trumps and all passed.

West opened with the two of hearts - this indicated that he had four cards in each red suit. East's queen with ace, finessed the diamond king, and threw the lead with the heart 10. West won, cashed two more hearts and switched to the four of clubs. I let it run to my knave, then finessed the queen, dislodged the ace of spades, and there was no further problem.

At trick seven he should have

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HOW TO SPEND IT

A big occasion calls for a special effort. Lucia van der Post hunts down hats that turn heads

In search of a peak of perfection

HATS, these days, are mainly worn for special occasions. Like the silk dress, the curly hair-bugling suit, the décolletage, they normally only emerge on high days and holidays, for Ascot or weddings, garden parties or school formers days. It's a far cry from the days when milliners routinely had customers whose daily round required 50 hats a season. Those were the dear gone days when an American novelist like Helen van Slyke could confidently say that "The rush of power to the head is not as becoming as a new hat."

Now that hats are a special sort of purchase we are all less practiced in the matter, so if your social round requires a proper *chapeau* you might be wondering what to look for. This season you could choose almost anything from a fresh fruit-bedecked straw to a Mad Hatter's top hat and be quite sure not to be out of fashion — but if there is a discernible theme to be found it has to be the emphasis on the large and dramatic.

Everywhere, it seems, there are hats sporting brims big enough to constitute a danger to those who come within their orbit. Conventional wisdom has it that the small in stature do not look good in large-brimmed hats. Several experts beg to differ. "With a good curve and line anybody can wear a big brim," says Gilly Forge, hatter to such discerning clients as Anouska Hempel, Jean Muir and Bellville Sassoon. "If the brim lies parallel to the shoulder it cuts you and shortens you, but if you wear it at an angle it takes the eye up and gives you height."

For a good overview of the hat scene you could hardly do better than pay a visit either to Fortchester Hats at 4, Fortchester Place, London W2, or to The Hat Shop at 4 Gess Court, St. Christopher's Place, London W1 and 30 Wilson Street, Glasgow, both of which sell the work of most of the well-known hatters.

If you want a standard, classic hat, be sort you can wear to a sports day and be sure that you will neither frighten the horses nor embarrass your children, then look out for the names of Frederick Fox, Philip Somerville and Graham Smith at the more expensive end of the spectrum, and Jella and Fred Bore at the cheaper end. If you believe that a true *chapeau* should be noticed, and you have the style and will to carry off a wild and witty number, then Kirstan Woodward, Marie Merle and the intangible Stephen Jones may be the designers for you. For sheer old-fashioned glamour it is hard to beat Siegi's frothy concoctions, while Gilly Blackwood gives a sort of instant distressed look to her layers of linen, muslin and silk. My affection for hats is in direct proportion to their propensity to flatter and in the flatterer stakes they hardly come more fancied than Patricia Underwood's butter-soft fine synthetic straws. Browns, of 23-27 South Molton Street, London W1, shares my enthusiasm and in the hat line stocks almost nobody else. This year it has been in almost every colour, and all off, simple shapes. They may look simple but it's the sort of simplicity that comes very expensive: a genuine Patricia Underwood will set you back anything from £70 to £200.



If you would like a hat specially made then Frederick Fox, (37-39 New Bond Street, London W1) is generally considered to be the doyen of chic hatters, with Stephen Jones (29 - 31 Heddon St, London W1) and Kirstan Woodward (Unit 26, Portobello Green, Arcade, 261 Portobello Rd, London W11) being favoured for their witty whimsies by the younger well-heeled set. And then there is David Shilling (44 Chiltern Street, London W1) — out on his own when it comes to ribbons and bows, and sheer outrageous flimsy glamour. He will make you any hat in any colour with any trimming and will go to endless lengths to get it right. Scottish readers might like to know about Anne Wallace, who has sup-

plied hats to Fortnum & Mason and The Hat Shop in London as well as Diana H on New York's Madison Avenue but currently is designing hats to private order. She is highly innovative — in a hat from her you will not risk running into your best friend wearing anything similar. Her prices are very reasonable, ranging from £35 for a simple one to £80 to models in finer fabrics. She uses lots of silk in summer, sometimes combined with hessian and velvet in the winter. Find her at 88, Montgomery Street, Edin-

burgh EH7 5JE. (Tel: Edinburgh 559-4705).

If you feel your style veers more to the classic than the grand, then for sheer chic it is hard to beat a classic panama. Herbert Johnson, 30 New Bond Street, London, sells the classic panama for £40 and also has a slightly more flattering version with a wider brim for £59. If you are in need of a party-trick then you might wish to spend £700 on the finest panama there is — so fine it can be pulled through a napkin ring.

Finally, if you don't want to go to enormous expense for a one-off occasion but you do have something special that demands a hat, worry not: there are a few solutions that will not break the bank. You could try hiring one. As the prices of little scraps of straw and tulle have rocketed so the opportunities to rent have grown. Gilly Forge, a young milliner who once worked for Freddie (by Royal Appointment) has a flourishing business making and renting hats and trimmings. Her one-off, specially designed hats cost between £100 and £200 (lots of black lace is *THE* thing this year) but she will hire you one for £25. If you want to try one of her basic, classically-shaped woven straws for about £120, then you could hire different trimmings (£30 a time) to time in with different outfits. Her atelier is at 14 Addison Avenue, London W11 but telephone for an appointment first (071-493-5323).

1. Purple silk straw cloche with red silk flower. By Siegi, £185, from Fenwick of Bond Street, London, W1.

2. Black straw with dramatic veil by Gabriella Ligenza, £135 from Fortchester Hats.

3. Rough polished natural straw with gold-spotted black veil and trim. By Siegi, £25 from Fenwick of Bond Street.

4. Lime-green straw trimmed with pure silk, black-spotted, lime green silk organza, but available in any colour. Back view below right. To order, £250 from Herbert Johnson.

5. One of Sandra Phillips' many soft paper panamas. £25 from Rocks, 58, Candlemaker Row, Edinburgh, W11.

6. Spotted navy blue tulle with small white bows, but can be made in any colour. To order, £225 from Herbert Johnson.

7. Hand-painted silk-strawed straw, one of David Shilling's many extravagantly glamorous one-offs. All are done to special order. Prices start at £150.

burgh EH7 5JE. (Tel: Edinburgh 559-4705).

Although the manufacturers' opening prices are aimed squarely at people who can get their company to pay, the power and convenience of lap tops will doubtless enable them to sweep into the domestic market fairly soon.

The original Amstrad word processing system, at around £400, showed that there is a large market for something better than an electric typewriter but which is fairly easy to use. The new lap-tops are much more versatile than these still popular machines, with the big advantage of being small enough to slip into a drawer in the living room when guests arrive, although at present prices they are more likely to be left casually on the coffee table.

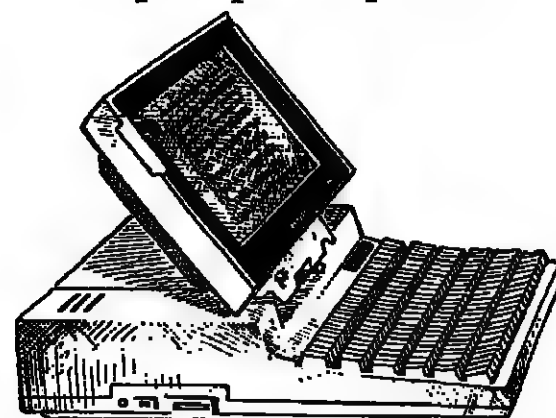
But what exactly do they do? What model should one get and, most important, how much should one pay? These are confusing questions for people who think they have relatively straightforward needs: typing a book or thesis, correspondence, keeping small business or estate accounts.

Many people fail to realise that the greater their need for simplicity in use, the more they need a powerful machine — just as a big-engined car with automatic gear box is easier to drive than an old banger; and the better lap tops can now leave many office computers standing at the lights. Extra power is desirable because programmes which have been coming on the market in recent years are far easier to use, but correspondingly more difficult for the computer to store and execute.

The letter the Amstrad which formerly made home computing a nightmare to the uninitiated is being replaced by plain language instructions, simple menus and easily understood graphics. So after a few initial frames, it is possible to communicate with a modern computer in an easy-going way, without spending hours poring over a manual.

It is only recently that medium priced lap-tops have been able to take advantage of this new "simplicity." The first I bought — an Epson PX-3 — only five years ago crammed a word processing programme into only 30,000 bytes (characters) of memory and was awkward to use. Now the friend-

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est word processing programmes, including spelling checkers and tutorial and help sections, can commandeer 50 to 100 times as much memory. My Epson, a beautifully engineered machine which the manufacturer hoped would sweep the world, was obsolete almost as soon as it hit the market and was soon remembered at a third of its initial price.

The same fate undoubtedly awaits many of the shiny new machines now sporting up to 20m bytes or more of internal disk memory, compared with the "impressive" 120,000 on my old Epson. This suggests two strategies: either pay for more performance than you think you need now, or pay much less for a remaindered model, like the serviceable Olivetti M-15, which can be bought for £250, including a hard disk.

However, such a machine is far outclassed by the latest hard disk models with high definition screens (640 times 400 dots), such as the Toshiba 1200XE, costing about £1,800. This gives excellent computing power with a 30 Megabyte disk for programmes and data and a 1.44 Mb removable floppy disk. Anything less will look pretty feeble and fuzzy in a few years. Sharp, Compaq and Zenith all offer similar good quality machines, though for its combination of high definition screen lightness and pedigree, I would personally pick the Toshiba.

A cheaper alternative is the new Toshiba T1000 SE, which has the same excellent screen but only a single 1.44 Mb removable storage disk. This costs around £955, though people will want the optional memory card at £200 for 1Mb. This acts just like a small hard disk, and is enough to store a fair-sized word processing programme and some data, even when the machine is switched off. Toshiba also sells a more bulky, mains portable for around £1,500.

If space is less important than cash, a high performance conventional computer with a 20 Mb or 30Mb disk can be bought for around £1,000. Either the Amstrad PC286 or the Olivetti PC386 would be my choice because they are widely available and use the new 3 1/2 inch removable disks. These are stronger and better than the old 5 1/4 inch disks.

At the lower end of the market, Amstrad offers a rather ungainly portable at £350 to £540, depending on the specification, but I suspect that this, like my Epson, will soon be a curiosity of history. Another strategy is merely to wait for prices to fall. Mail order prices for the Toshiba 1000SE are already only two thirds of those on the company's November price list.

Max Wilkinson

Chintz fades before a bright new future



Johnny Grey's interpretation of the unfitted kitchen for Smallbone

BEHIND THE scenes of The British Interior Design Exhibition at Chelsea Old Town Hall, King's Road, London SW3 here is quiet jubilation. It seems, though not quite dead, is certainly willing. In this rarified world of *interior design* everybody is such too well-bred to gloat, but nevertheless the air of quiet satisfaction is all-pervasive.

This year, at last, there is, there really is, a life after chintz. Gone is the overwhelming impression of claustrophobic, over-furnished, heavily swagged rooms and windows. Out has gone the air of abundant trimmings, of decorative effects for their own sake, of fastidiously faded chintz, of general abundance. In has come a fresher, cleaner, newer, lighter look. Rooms are emerging from under their wraps. Designers are taking lessons from classical disciplines, emphasising the bones of rooms, restoring shape and proportion.

Not that the British Interior Design Exhibition is meant to be an entirely homogenous affair, with every designer working as one to produce a definitive, coherent style. It is meant, rather, to give those who are interested a general view of some of the directions in which some of our interior designers are currently working. And above all it is there to introduce the great British public to the notion that interior designers are a GOOD

THING, that they stand for something more than a haemorrhaging bank account.

Here those who have always felt nervous of the very idea can see just what a skilled designer can do — how magical areas can be conjured out of the meanest corners, how space can be most efficiently harnessed, how the best of the designers offer much, much more than a tasteful colour scheme.

There is a wide range of work to be seen, by 26 different designers, each of whom was asked to provide a complete room set, finished down to the last picture and lightswitch. For those who are keen to learn the new language, (and, my goodness, there is lots to learn) this is a perfect opportunity. Ever wondered what an *eclectic* room might be? Trot along to Clare Mosley to find out. Need an efficient home office? Stephen Ryan of David Hicks International provides lots of food for thought. If you understand intellectually exactly what neo-classical means but wonder what it



An eclectic collection of antiques in a Garconière by Rivière Interiors

looks in practice, drop in on Anthony Paine's rotunda room and there you will see it in all its glory — magnificent, majestic, above all, after all that chintz, calm. Or do you have a fine collection of modern art and wonder who might understand how best to set it off? Then take a look at the "Writing Room For A Collector" by Derek Frost Associates.

There are many ideas and decorative tricks on display that we all can learn from, as well as a general feel for the direction in which interior design is moving. However, above all the show confirms what I have always felt: that the most pleasing rooms to be

in, the most inspired interiors, are all unforced blends of old and new, rooms which have been put together by a sensitive but undogmatic eye, where one pleasing piece of furniture jostles happily beside another. Rooms that knock us for six by their sheer drama tend eventually to pall; those imbued with that magic ingredient called "charm" go on charming for ever.

The exhibition is on until June 17, including Saturdays and Sundays. Opening hours are from 10.30 to 6 pm, Mondays to Fridays; on Wednesdays until 7 pm and on Saturdays and Sundays from 11 am to 5 pm. Admission charge,

including the catalogue, is £7 for adults, £5 for students and £4 for children under 14.

If something really takes your fancy Bonhams will be auctioning much of it on Thursday June 14 at 6.30 pm. Don't, though, expect too many bargains. Some of the proceeds will be going to the NSPCC and estimates seem quite high — Anthony Paine's Rotunda Room, in its entirety, is expected to go for between £30,000 and £40,000, the Smallbone kitchen for about £13,750. However, a pair of Swedish cotton voile curtains may fetch between £150 and £250.

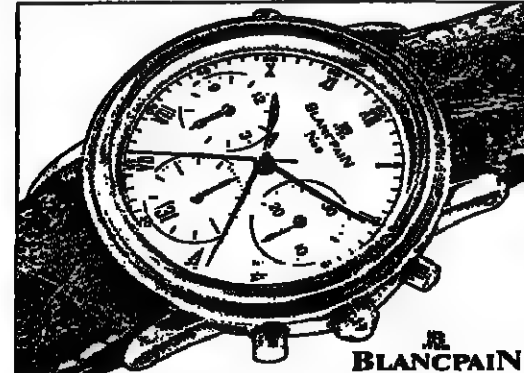
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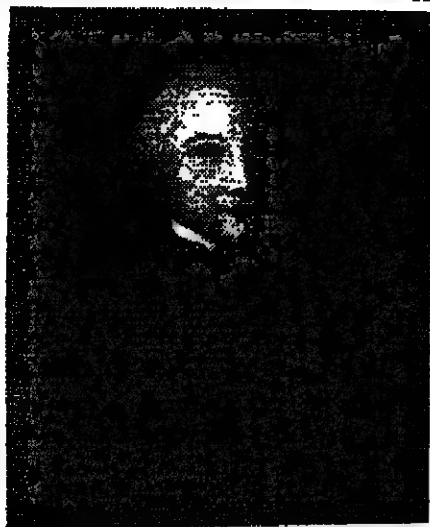
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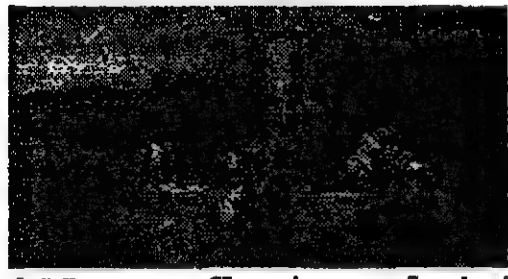
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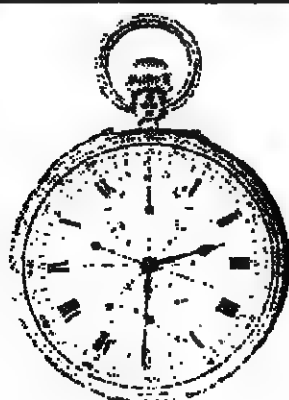
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COLLECTING

Antony Thorncroft gives a round-up of a packed month in the art world's seasonal capital

London lifted by a vote of confidence

FOR THE next few weeks London will once again be the undisputed engine of the international art trade. Foreign dealers and private collectors will be jetting in to browse their way through the antiques on display at numerous fairs, to bid at important auctions, to savour major shows at the leading galleries, and to take advantage of a glittering social scene.

They will be welcomed by a trade in better spirits than it dared hope a few months back. A recession, and especially a recession which is concentrated on the property market, hardly stimulates buying enthusiasm for furniture, pictures and the decorative arts, and the market has been decidedly flat this year. But when a Van Gogh sells for almost £50m in New York some of the confidence, and some of the money, filters down to the man selling silver spoons in Bermondsey's Friday antiques market. The fact that the auctions last month in the US were weak in the middle and lower levels matters little. The enduring value of works of art seemed to be confirmed.

As well as confidence, a few highly publicised successful auctions actually release more money. The collector or dealer who makes a sale is likely to be in the market for fresh goods. Indeed some dealers, like Ackermann, the Bond Street picture gallery, complain that the main problem is still finding good stuff - quality sells itself, and if it does not go immediately then it just quietly appreciates in store.

Traditionally the Season starts with the Royal Academy Summer Show which opens to the public rather late this year, on June 9. Friends of the RA get first pick at the 1,200 works of art, which range in price from £23 for a woodcut to £56,000 for the Eduardo Paolozzi bronze, "Centre of the Universe." The Royal Academy student, Ben Fanning, who last year caused a stir with his sculpture, "The Kiss," has an equally eye-catching work, unimaginatively called "Untitled," which is 15 ft high and has one lower nibbling another's ear. It has a £25,000 price tag, while respected RA's like Anthony Green, John Bellamy, and Frederick Gore have major pieces



It would take an expert to recognise this as a Piranesi. "Leda and the Swan" was painted in 1761, shortly after the artist arrived in Paris. Christie's is selling it on June 25, with an estimate of up to £2m.

for sale priced between £10,000 and £20,000. Virtually everything goes at the RA and the best walks away quickly, so an early visit is recommended.

The undoubted centrepiece of June in London is the Grosvenor House Fair, which this year runs from June 14 to 23. Once again the professionals move in early at the private preview the day before or the charity gala, sitting up £150m worth of antiques displayed in ultimate gifts. Last year £8m worth of antiques sold in the first two days, followed by something of a calm. There were mutterings that the hand of the interior decorator lay too heavily on the stands. There were accusations that the 19 designers competing for the prize for the most tempting

show were giving the Fair a frou-frou feel. Some restraint has been urged this year but, as ever, Grosvenor House will once again be a conspicuous consumption from its 58 stands.

Especially conspicuous will be the most expensive item ever offered at the Fair, Giambologna's marble, "Fata Morgana," which carries the price tag of \$6.9m, placed on it by the London dealer Alex Wengraf, who spotted it, uncertainly attributed, at Christie's last year and secured it for \$715,000.

One of the past-times at Fairs is fingering the works of art which have passed through the auction houses and weighing the dealer's profit margin. Armbrage paid around £1.2m at Christie's New York in April

for a Sicilian table fountain made around 1670 by Giuseppe d'Angelo, a record for silver at auction. It will be more costly still at Grosvenor House.

This year's theme at the Fair is Italy and the Grand Tour and most of the exhibitors will make a nod towards the subject. Fourteen invited Italian dealers will be setting the tone in a special enclosure, offering a range of goodies from a small bronze Paduan satyr of the 16th century to Old Master drawings by Tiepolo and Guercino. In fact, at last, the Fair has lost some of its British exclusivity and allowed in two continental dealers: the oriental art specialist Vandervort & Vandervort, and Lin & Emile Delattre, who deal in primitive art.

However, the grand old names of the British antiques trade will be in their regular slots. Agnew has a Gainsborough landscape as well as works by Liotard and Boucher; Apfer-Fredericks is offering a George III Adam period mahogany and satinwood inlaid china cabinet of 1780, priced around \$100,000; Blairman has a writing table attributed to Pugin; Norman Adams a large Adam gilded mirror; Colnaghi the quintessential grand Tour picture, a portrait of Henry Dea-wood painted in Rome by Batoni during his travels in the late 1760s.

William Drummond is selling a rare landscape, of Florence, by G.F. Watts; Garrard a George IV silver gilt bowl by Paul Storr; Richard Green

paintings ranging from Old Masters like de Heem and Canaletto through to Post-Impressionists such as Lebasque; Halcyon Days a pair of early 19th century pietra dura panels of a lady and a gentleman; David Messum Italian views by Wilfrid de Glehn; Spink, the Duke of Wellington's silver teapot made in Dublin in 1808; and so much more. New exhibitor Anthony Woodburn is offering clocks by Joseph Knibb and Justin Vulliamy and another newcomer, Peter Nahum, has moved away from his Victorian days and is selling a portrait of the Duke of Cumberland, the Butcher of Culloden, by Reynolds.

In the last few years Grosvenor House has suffered from a falling away of American buying, by both dealers and collectors. The continentals, the Japanese, and, to an increasing extent, the British have made good the shortfall. But to encourage Americans without the time, cash, or inclination to visit London, at the Westbury Hotel in New York (and also in Stockholm and Tokyo) those who missed the plane can closely observe, through the Lasernet system, all the antiques on sale at Grosvenor House which can be summoned up on screens. If something catches their interest they telephone, collect, the exhibitor on his stand, who will provide the verbal picture.

For most of the 20,000 visitors Grosvenor House will simply be a place in which to ogle. But just opened at Olympia is a Fair for the man in the street - although it helps if he owns part of it. The Fine Arts & Antiques Fair is the British antique trade on mass. Here you will find the owners of the better country town antique shops; the Fulham and Hampstead brigades; the solid under-belly of the business. They have been setting aside good things for the Fair for months and the range is tremendous, especially in the silver section where objects up to 1940 are included.

In past years dealers from Grosvenor House would plug gaps on their stands with purchases at Olympia, purchases which somehow doubled in price on the three-mile journey

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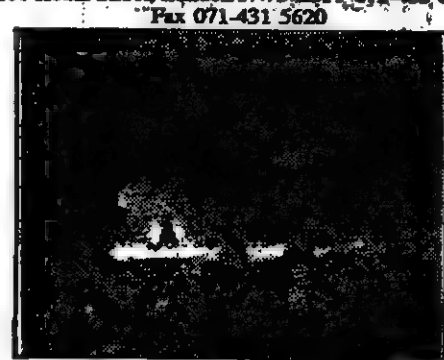
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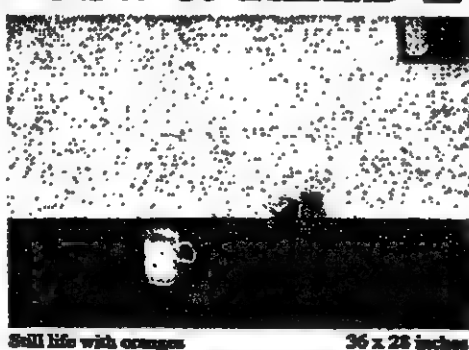
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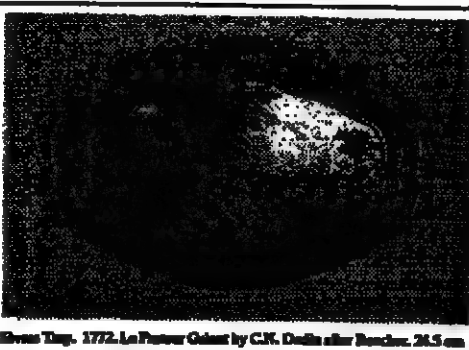


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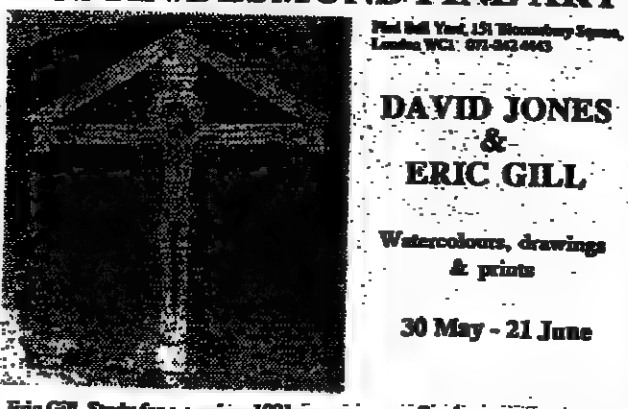
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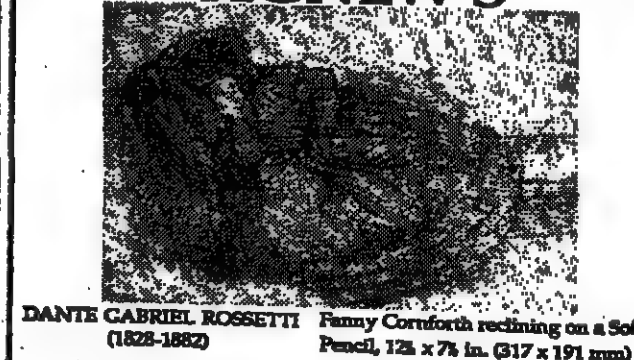
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John Whitehead

on previous page

to the West End. Unfortunately this year the two fairs overlap, but foreign collectors know they will find interesting rarities - from us to globes, toys to trees - along a glut of the over-familiar at this unpretentious event, often ignored by too many private collectors.

There will be ceramics on offer at both fairs but the serious enthusiast in this field will take straight for the Park Lane Ceramics Fair (starting June 8). This is now the established annual get-together for the well-informed fraternity of academic lectures, a loan exhibition devoted to early Staffordshire, and almost 50 of a world's leading dealers.

When the porcelain buffs have quit the Park Lane Hotel, the antiquarian book fancy comes in, from June 19. This is the leading event in its field, with over 100 dealers selling items ranging from £50 to £5,000, and in age from a leaf from a Qur'an of around 950 (offered by Quaritch for £5,000) to a first edition of Bolan's "Tarantula" inscribed

For exhibitors, the fairs are mainly useful for making new contacts.

The author to John Lennon and Yoko Ono, for £12,500 at the Fair for £2,500.

The exhibitors at the fairs are mainly useful for making new contacts - and for finding under-priced bargains on their rivals' stands, although dealers such as After-Fredericks hope to

to 70 per cent of the stock by laboriously transport to Great Britain. Dealers who eschew fairs are sure that their stock is worth perusing during this month. Eskenazi in Piccadilly has 24 important examples of Chinese sculpture, most of which are inspired by Buddhism, which arrived in China the first century AD. They are priced between £10,000 and £50,000. At Christian Deydier Mount Street there is an exhibition of Chinese gold, including a silver and parcel crown from the tomb of a princess of the Liao period. The Walpole Gallery is having one of its rare shows, one of which coincides with the Grand Tour theme at the Grosvenor House. "Baroque and Rococo in Venice 1600-1800" includes works



"Flying Fish" by Herbert Draper, to be exhibited by Peter Nahum at the Grosvenor House Fair.

priced from £40,000 up to "The Rape of Proserpine" by Tiepolo at around £750,000. Carrying on the Italian theme is Trinity Fine Art which is selling an Alinari bronze of Venus and Adonis for £750,000. Anyone satiated with the old should visit the much lam-

basted "British Art Show 1990" at the Hayward Gallery from June 14. The work of 48 artists under 35 is on display and the critics savaged this collection when it was unveiled in Scotland. Many of the most sought-after young big names, especially from the Glasgow

School, have been ignored but, if you like your art to stimulate or even irritate, a trip to the South Bank is certain to get the nerves jangling and act as an antidote to the refinement spawned by the Grand Tour of Italy - and London in June.

Make pounds from a Penny

PENNY BLACKS are not rare. But as the first adhesive postage stamps introduced - just 150 years ago - they are much in demand. More rare but less popular stamps often cost less.

In August 1839 Parliament passed an Act providing Uniform Penny Postage for letters travelling throughout the UK. Then the search began for some kind of stamp signifying prepayment of postage. Rowland Hill, who had advocated such postal reforms in 1837 and who later became Postmaster General, was attached to the Treasury to see this implemented. The design selected, following a prize competition, was based upon a medal engraved by William Wyon for Victoria's first visit as Queen to the City of London, in 1837.

At least 70m Penny Blacks were printed. Many will have perished, though fixed to folded letter sheets rather than envelopes they stayed around longer. Some survivors were spoiled for collectors under thick coats of varnish, decorating screens or coffee tables. Even so millions are reckoned to be around today.

You can still buy a Penny Black for less than £10, but it is unlikely to be sound and good looking. For £80 - just over half the catalogue price - you could obtain a really nice one.

Condition has long been recognised as vital in determining the market value of a Penny Black - indeed of any potentially valuable stamp. With imperforate stamps, cut from sheets with scissors, the amount of margin left around the stamp is important when assessing value. A "good" Penny Black has all four margins just clear of the design. On a "superb" one they will be much wider. Position and neatness of the postmark also affects the value. Collectors want to see clearly the Queen's head and the postmark.

In 1856 Penny Blacks were on offer at six old pence for a dozen. In 1905 it was 6d each, or 9d on cover. Around 40 years ago, my local stamp shop displayed copies from five shillings to seven and sixpence each.

Rarer varieties of any stamp will be worth more. So

are Penny Blacks identifiable as printed from plates in use for very short periods. The rarest Penny Black has the letters "VR" in the top corners, instead of the usual stars. These were intended for use in certain government departments and are now catalogued at £4,500 each, used.

Postmarks are very important. Black or red ones in the simple Maltese Cross design are the most common. Examples in magenta, blue or yellow are worth much more, depending on the type of postmark. And postmark type can increase value tenfold, particularly for stamps with certain numbers printed within the cross. Full details are to be found in Stanley Gibbons' Part 1 (British Commonwealth) Catalogue - 1990 edition, which costs £25.

The state of use also matters, when discernible. There was no organised sale of Penny Black First Day covers, thus they are very scarce and in good condition would probably cost well into four figures. Some Penny Blacks have been found postmarked as early as May 2 1840. Supplies were distributed ready for sale on May 6, but apparently some postmasters misunderstood or ignored these instructions.

Penny Blacks are generally worth much more unused than used. Catalogue prices are for copies with full original gum, which can be faked. A genuine unused specimen costs around 17 times the used price.

Stamps rise in value but, as with shares, they can also fall. The Penny Black has not fluctuated significantly, but its catalogue price in the last five years has not kept pace with inflation.

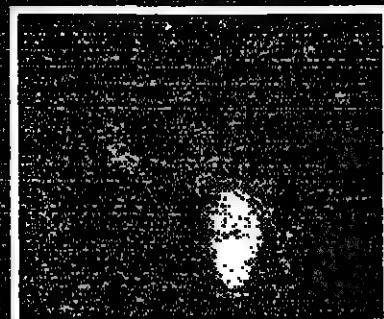
Are Penny Blacks a good investment? Investors with no knowledge let alone love of stamps are blamed by collectors for sharp falls in many prices in the last decade. Carefully selected purchases with a sharp eye to their condition could well pay off, if you are not in too great a hurry to sell. And your grandchildren may well thank you if your Penny Black is there to sell or keep on May 6 2040.

Bernard Towler

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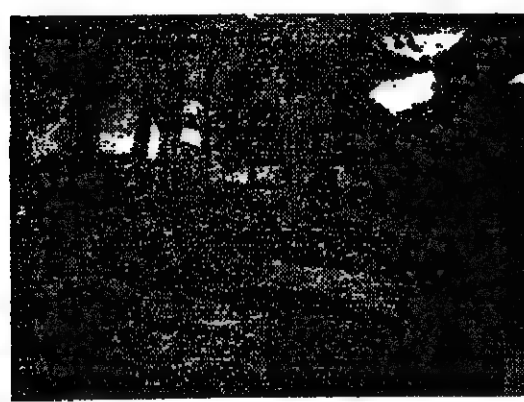
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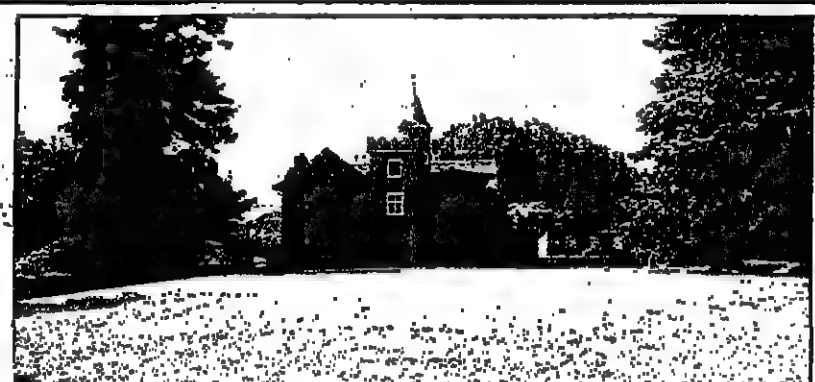
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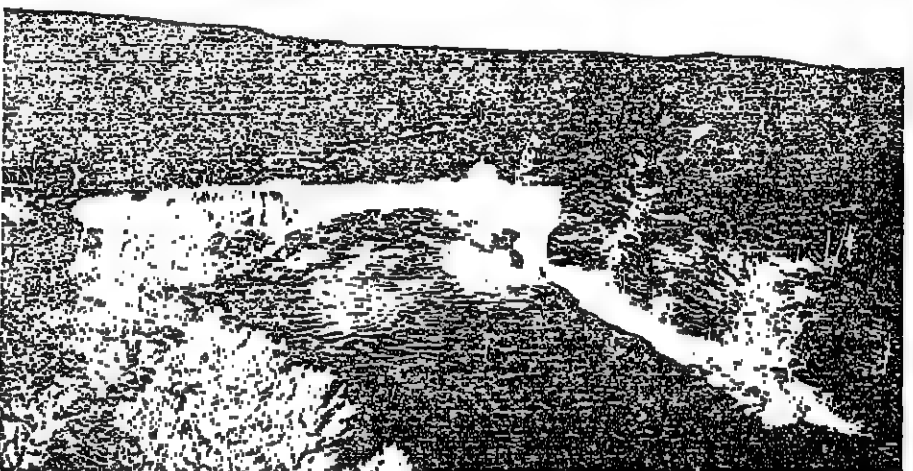
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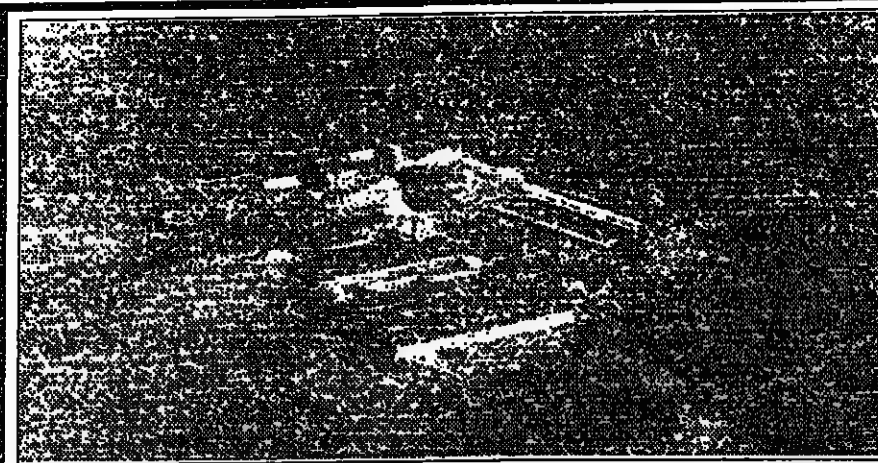
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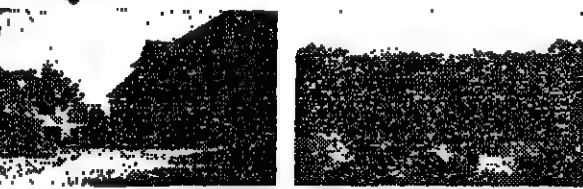
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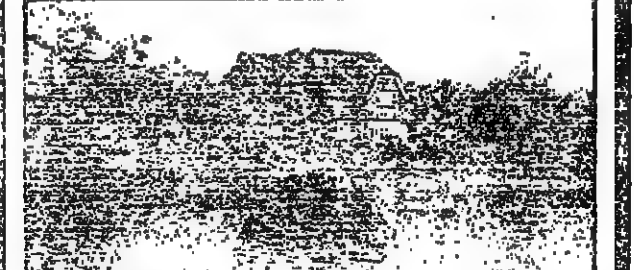
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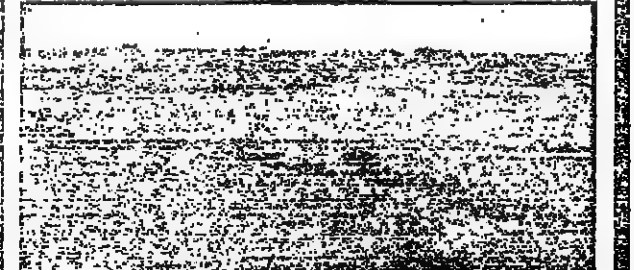
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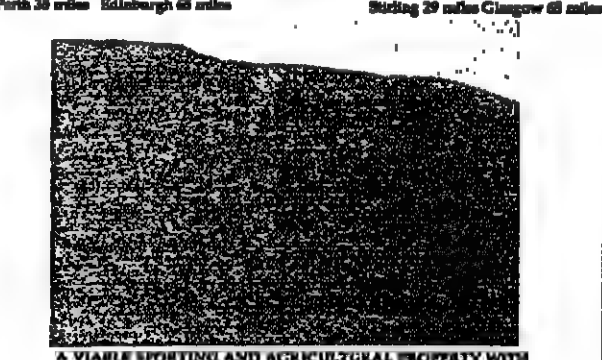
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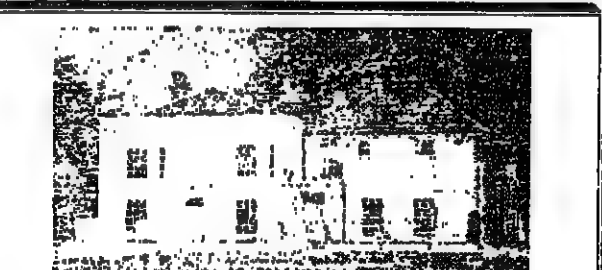
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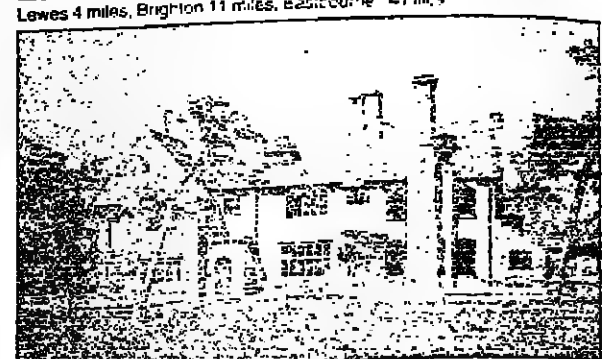


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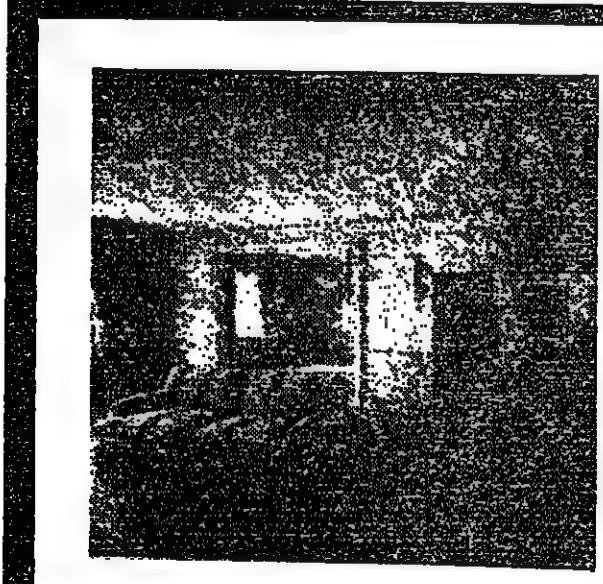
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BOOKS II

A writer 'rich in spirit'

Here is a biography that leads us back to Ford Madox Ford's books, says J.D.F. Jones

IS fairish, fat, about forty, and kindest man on earth... He is the door of his soul open, and may walk in." So said D.H. Lawrence in 1906 of Ford Madox Ford, who at that time, briefly, the brilliant editor of *The English Review*, discovered and launched Lawrence as he did so many writers. Recognition of his own distinction as a writer of genius has lagged. Yes, there was *The Good Soldier*, a fine and rather good on TV, and Tietjens quartet, more difficult hard to gain (his sales over the years must be a fraction of Waugh's), and then there was the *Fifth* sequence, but historical fiction is to everyone's taste, and his *From a Book* and that peculiar *A History for Our Times*, not published until 1971 and pretty run. But what of greater part of his 32 novels? Not speak of the other 30 volumes, of history, travel and the adventures is frequently used of him "unreliable" memoirs? How many of us know more than a fragment of the life of Ford?

My well be that he has been a writer of genius because he writes passionate enthusiasm, he writes who, once discovered, you find your friends to read. Occasional admirer takes the extreme of writing a biography, as has novelist and diplomat Alan Judd, a fluent, engaging read, always revealing, commanding, and Judd's odium a good idea for the writer. Its great charm is that it is Ford. He starts off with the phrase that Ford was of the "in spirit" and in these pages you lose the sense that to encounter him in high days or low, would have been a joyous experience. The snag is that there already is a biography, and an extremely good one, *Saddest Journey* by Arthur Mizener. I have it to hand and I have to that I am not convinced that Judd makes the case for a "new life" and can hardly be unaware of this

problem, and half-responds by emphasizing that he is aiming for an "impression" of Ford, unconsciously, he uses this as an excuse not to bother with references, since "to have annotated it as scholarship necessarily demands would have meant sacrificing something of the impression of Ford's life as lived; he was never the man to be detained by a footnote or checked by a reference."

This is a dangerous point because it brings us directly to one of the delicate things about Ford, which is that he was a compulsive and careless fabricator. It is curious how his admirers

FORD MADOX FORD
by Alan Judd
Collins £16.95, 471 pages

lean over backwards trying to explain his lies. "Truth is relative" Ford once wrote, "he would, wouldn't he? He was a great system of assumed persons and dramatized lives" said H.G. Wells. He was "the helpless victim of his own imagination" wrote Ezra Pound. "Perhaps Ford wished to act out, for his own benefit and for that of his audience a series of visions of the world as he thought it ought to have been" offers this biographer bravely. Ford's fantasising seems to have got worse after he had served, in his forties, in the trenches, but the fact is that he must never be believed - except in the truth of his fiction. The final impression of Judd's book, again in comparison with Mizener, is that it is not to look at Ford as a full biography as a commentary on a life and work with which we are assumed to be already familiar. The biographical thread is often spun thinner than the discussion. For instance, we are not told enough about Ford's friendship with Arthur, we hear rather of the Tietjens character he partly inspired. A similar point applies to the story of Ford's relations with Henry James and, much more important, with Conrad, with whom the friendship and mutual influence were so intense.

Book Show. That would have solved the awful money problems. He wrote too many books too fast, partly because he was so short of cash; that is a large part of the problem. Most of his books are now available only in serious libraries. His poetry - which to my mind Judd overestimates, and quotes from at length - has suffered particularly.

One of the many sadnesses is that, having been an early starter, he too soon was cast in the role of the "old man." Few men can have remained more alert to the new trends of the day - that is why he was a great editor, of *The English Review* and, much later in Paris, *The Transatlantic Review* - but at an absurdly early age he was dismissed as being of the old pre-war generation. Hemingway, his assistant in Paris, who cruelly repaid Ford's kindness, comes off particularly badly in any version of Ford's generous life. Judd is good on this: "Ford was not a hero in the Hemingway mould; he was vulnerable, urticant, sentimental, funny in a way that Hemingway could probably sense but not see, and genuinely heroic; he was superior in age, status, experience, knowledge of his craft, sensitivity and ability; he was unaggressive, fat and wheedling, had fought in the trenches and was unaccountably popular with women. There was much that Hemingway might have found hard to forgive." There speaks an enthusiastic biographer.

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The challenge for Ford's biographer - and this is successfully achieved here - is to send us back to the books of this under-read great writer. Penguin do the greatest, *The Parade's End* quartet, and *The Good Soldier*. The Bodley Head have a five-volume collection, of which four are in print, but

have allowed Mizener's classic biography to lapse. Oxford maintain a paperback *F.M. Ford*. Carcanet do four of the less known as well as a "Reader." If you have not read him, start with *The Good Soldier* and proceed to *The Parade's End*. I envy you your discovery.

The other side of Pooh corner

Anthony Curtis on why A.A. Milne was the victim of his own success

A.A. MILNE: HIS LIFE
by Ann Thwaite
Faber & Faber £17.50, 353 pages

severe hardship might benefit from it. But it is, in one sense, everything came up roses for Milne, particularly in the garden at his country place, Cotchford Farm, Hatfield, near Ashdown Forest, which he loved, in another his life was as clouded as that of any starving wretch in a garret. The story of the inner man, the man inside Milne, is a story of a writer remorselessly while agonising over what Milne as a writer was trying to do, is painful to read.

It is the great virtue of this lengthy biography which goes in great detail into every aspect of Milne's life from childhood to old age that it tries to see Milne from his own point of view as much as from



that of the world which he charmed and conquered. Everything he did, except perhaps the book he wrote arguing the case for pacifism, *Peace with Honour*, prompted by his experiences on the Somme, was done with an exquisitely deft and playful touch. But Milne never wanted to be

known just as a children's author, profitable as that was. It was a label he became attached to with it stuck to him irrevocably. It diverted him from his play-writing which was the greater ambition and he lost his hold on his audience except, ironically, in *Toad*, a play for children based on another man's book. It is often said that he did not really like children. Ann Thwaite disputes this, pointing out not only to his great bonding with his own son when he was a boy, but also to Milne's keen interest in his nephews and nieces. However, the evidence of Christopher Robin himself is against Thwaite here. His own masterly account in *The Enchanted Places* of his father, and a childhood dominated by the character who bore his name, should certainly be read alongside this biography which has been written with his agreement. It is clear from Thwaite's

researches that much of the key to Milne as a man lies in his placement in his own Victorian family as the youngest of three brothers with the headmaster of a private school for boys as their father. Thwaite is fascinating on this early period. H.G. Wells was an assistant master at Milne's father's school, and was a delightful companion for his boss's gifted son. She traces the pattern of Milne's relations with his two brothers: one can be said to have died when Milne was in his prime. The other Barry he broke with over money. Milne's marriage to the rather grand Daphne De Selincourt was lifelong and outwardly serene, but Thwaite names the American playwright Elmer Rice and the actress Leonora Corbett as the frequent companions of Daphne and Milne respectively in their later years. Here then is a great picnic of a book, full not just of bums and honey but of satisfying facts. It will be devoured by all Pooh-fans naturally; but it should also prove to be of considerable interest to anyone concerned with the literary world in our century.

Eye witness to Tiananmen

MOVING THE MOUNTAIN
by Li Lu
Macmillan £13.95, 211 pages

that many hundreds of people did die in Peking that night.

Like Mr Li, and unlike some others who claimed to be there, the Tiananmen Square throughout that night, and saw Li Lu and others lead the protesters out of the square with great dignity, as lines of tanks and armoured personnel carriers rumbled slowly toward them. Unlike Mr Li, I did not see "hundreds of people" crushed in tanks as tanks demolished the shanty town of democracy on the square - most of the killing was done on the way to Tiananmen, and the total was probably in the mid-hundreds.

The toll is not as important as the principle of brutality, and the credence given to recent revisionism by a few western commentators, who were a long way from Peking at the time, is further evidence of media gullibility. *Moving the Mountain* is a significant first-person account of the tragedy and a readable diary of the rise of the pro-democracy movement. It gives insight into the rampant corruption and injustice bred by the bureaucratic dictatorship. Mr Li was in Tiananmen during the devastating earthquake of 1976, when at least 240,000 people died, and local party officials first claimed that the area had been the victim of a Soviet nuclear attack. His parents were

dreaded "intellectuals," the courageous, thoughtful class of Chinese slotted into the "stinking ninth category" during the Cultural Revolution, and purged, on and off, for the past four decades. The democracy movement was riddled with ego and factional problems, and was carried along more by the momentum of enthusiasm than a coherent agenda. Erecting the Goddess of Democracy, for example, with its unmistakable likeness to the Statue of Liberty, may have excited US senators but it offended many ordinary Chinese and merely antagonised the ruthless ruling faction. In justifying the crackdown, Premier Li Peng, tells foreign visitors that no country would allow its capital to be overrun, and chooses to overlook the denial of basic human rights that brought students from the campuses.

Robert Thomson

Dylan Thomas, but his manner doesn't particularly resemble theirs. It is, at any rate, quietly elliptical, extremely versatile - ranging from rhetorical rigour to playfulness to raucous colloquialism - and strangely, precisely beautiful. He has become more rather than less modern with age: his early work - to be found in the middle of the book - seems new and bold enough, but his more recent productions, notably "Dichtung und Wahrheit" and "Moro Assassinator" from the 1979 volume, *An Inconspicuous Music*, and "Organo Ad Libitum" and "A Fellow Being" from *You Will Know When You Get There* (1982), are as soaked in the sordid of the contemporary world as anything in Jenkins, and more adventurous in form.

This is, I think, a major oeuvre - every poem is stamped with a personal syntax and rhythm. The deliberately non-chronological arrangement of the selection forces you to read it as a new book in its own right, or as a single life-long poem. It repays the closest attention.

Paul Driver

Stage set for Soviet collapse

THE APPEARANCE of these two books could not come at a more appropriate moment. The break-up of the Soviet empire continues apace, providing such a bizarre and surprising spectacle that one is still inclined to rub one's eyes in disbelief. Yet the disintegration of the empire should not come as a surprise. To close observers, it had long been apparent that when Marxist-Leninist propagandists predicted the collapse of capitalism through its own internal contradictions, what they were in fact forecasting was the fate in their own minds of the Soviet society. The only surprising thing about the present Soviet collapse is the speed with which the whole edifice is falling apart.

Anyone wishing to discover how the first cracks appeared could not do better than turn to *Soviet Disunion*, whose co-authors, both of Ukrainian origin, easily demonstrate that the Soviet facade of a harmonious union of equal nationalities was largely an illusion from the start. But at least, under Lenin, there was an attempt at a "national contract" between free and equal republics. As soon as Stalin took over, Russian nationalism quickly became the predominant force. In his "Testament" Lenin had warned against the dangers of Great Russian Chauvinism. Yet even in his lifetime, the concept of self-determination of nations was increasingly discredited as bourgeois and Utopian and subordinated to the class struggle and to proletarian solidarity across national frontiers.

With Stalin in command, the Russianisation of the constituent republics, their economies and their education systems - steadily gathered momentum, while the terror of collectivisation struck with especial severity in the black earth regions of the Ukraine. In the Central Asian republics, there were repeated purges of national communist leaders on charges of resisting Moscow's demands, while from the mid-1930s on, many non-Russian national groups, including Armenians, Latvians, Greeks, Kurds, Chechens, Ingush and others, were summarily deported to the penal "special settlements." It was a removal technique, later applied with equal brutality to tens of thousands of Lithuanians, Latvians and Estonians following the Soviet occupation of the Baltic States under the Nazi-Soviet pact.

The outbreak of war with Nazi Germany accelerated the process and when it ended not only the Volga Germans but seven other small nationalities from the north Caucasus and the Crimea had been deported to their entirety to the east, involving a total of some two million people. The Soviet victory, hailed by Stalin as primarily a triumph for the Russians in their "elder brother" role among the Soviet nationalities, brought renewed repression in the Ukraine and the Baltic states, where anti-Soviet resistance sputtered on for some years, and by early 1953, with the revelation of the so-called "Doctors' Plot," the prospect loomed of yet another massive purge. Happily, this was thwarted by the death of Stalin on March 5, 1953.

The post-Stalin era brought some redress of national grievances and the dismantling of the terror apparatus (curiously, the famous Beria seems briefly to have tried to find a new power-base among the non-Russian nationalities). Following Khrushchev's secret speech to the 20th Party Con-

gress, there was a partial restoration of the "national contract" and a partial rehabilitation of the deported peoples. The Russians, themselves, had suffered as much as any under Stalin, and by the mid-1950s there was a marked cultural renewal inside the Russian Federation. But the Hungarian uprising of 1956 set alarm bells ringing among the Soviet leaders. The result was a tightening of ideological controls, renewed emphasis on drawing the national republics closer together, *slavicheskaya* and economic re-centralisation.

These measures brought fresh protests from various non-Russian nationalities and the pendulum continued to swing between protest and repression throughout the Brezhnev years, as I well remember, having been approached by a delegation of Crimean Tatars in the mid-1970s and handed a petition with 30,000 signatures, addressed to the UN Sec-

SOVIET DISUNION: THE NATIONALITIES PROBLEM IN THE USSR

by Bohdan Nahaylo and Victor Swoboda
Hamish Hamilton £20, 432 pages

RUSSIAN NATIONALISM: YESTERDAY, TODAY, TOMORROW
by Stephen K. Carter
Pinter £29.50, 175 pages

retary-General, demanding a return to their homeland.

Thus, the advent of Mikhail Gorbachev in March, 1985, was greeted with undignified relief: at last, the Soviet Union was to be broken from its cataclysmic trance. With so many hopes being raised, it was inevitable that disillusionment would set in when many of them failed to materialise. But I do not believe that the authors of *Soviet Disunion* are being fair to Gorbachev when they lay the blame almost entirely at his door. It is true that a new approach to the "nationalities" problem was not among his top priorities and that with greater foresight such crises as the conflict over Nagorno-Karabakh might have been defused in time, just as an early repudiation of the Nazi-Soviet pact might have prevented Moscow and the Baltic states entering on a collision course. But without Gorbachev, would any of these issues even have seen the light of day?

For all its wealth of research, *Soviet Disunion* says relatively little about purely Russian nationalism. The necessary balance is supplied by Dr Stephen Carter's study, *Russian Nationalism: Yesterday, Today Tomorrow*, which traces the present phenomenon back to the 19th century controversies between Slavophiles and Westerners, autocracy and liberal democracy, a secular society and the Messianic visions of Pan-Slavism. Unfortunately, while one can feel considerable sympathy for current Russian nationalism, as exemplified by writers and scholars like Solzhenitsyn and Dmitri Likhachev, Sergei Zalygin and Vasily Belov, there is also a dark and menacing side represented by such extremist groups as Pamyat, with its crude xenophobia and violent anti-Semitism; and Dr Carter is, I doubt, right to give warning that, if Gorbachev's efforts fail, it is this much less healthy tendency that could come to the fore.

Erik de Mauny

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AN JENKINS'S new collection of poems like *In Hot-House* his first - is as instantly readable and as amusingly artful. His poems fresh as this morning's paper and, with their colloquial ease and often salacious subject matter, give the reason of having been ten straight down. Yet there are several coverings of poetic varnish between us and the printed page. It is a grateful illusion, most ambivalently brought off in "The Muse," which effectively evokes the seedy sensuality of a package holiday on Greek Islands ("Flotsam jetsam," the local author these lads/couriers, tour-tourators call them "shitholes"), but is wrought as a piece of nine sonnets, each with after one of the Muses, using a different arrangement of the 14 lines, and the line of one linked to the line of the next. The poem has a *canto*, and indeed a *re-canto*, for the conclusion, "Thalia," resumes the previous first-last lines, ending with the opening. That Thalia still manages to be legible and affecting ("I

shall always be/ a boat adrift... coming back for comfort to the island of a desk/ to dream of lying in a hammock slung on deck/cradling an ocarina") is a considerable tribute to Jenkins's skill. Full of clever rhymes ("Chorus/chorus," "Studebaker/rutabaga") and formal devices, he unites the scrabulousness of life with the sophistications of metre in a way that recalls Tony Harrison's work. He moves easily between wittily observed light verse in an Audenian mode - such as "Phaedra," in which a latter-day Nausicaä and Odysseus ("a second mate/ on a Greek island, or 'Free Enterprise'") a reclusive lampoon against City moguls - and no less witty but more complexly conceived pieces, such as "The London Dissector," a sequence of 16-line "sonnets," in which the emotional cost of the messy libidinal life begins to be reckoned. As pervasive as the flavour of the Greek islands on these

GREENHEART
by Alan Jenkins
Chatto & Windus £3.99, 64 pages

SELECTED POEMS 1940-1989
by Allen Curnow
Viking £15.99, 209 pages

pages is that of Jenkins's London: the "salesgirls, Sloanes" of "Alarm," the highgate monument of "Pornography," the "penthouse in Rotherhithe" of "Free Enterprise," the "five minutes from your flat, alongside the canal... where you're not known" in "The London Dissector." One is tempted to picture the poet behind the personae wandering himself through London districts, musing, observing, desiring, stopping for a drink. The title poem, though, takes us deep into the Amazonian jungle, to witness a depraved encounter between intrepid parody Englishmen and a murderous cocaine king. "Green-

heart" is the long poem of the volume, 400 lines or more of rhymed loose iambs, and companion in form and theme to "Or Would You Rather Not Be Saved" from *In the Hot-House*. A brilliant holiday of language, it is sassy and fun, bringing on characters named at the expense of such literati as Peter Reading, Paul Muldoon and Redmond O'Hanlon, and piling up its technological horrors.

Of more durable worth, I suspect, are the poems, further to those in the previous collection, in which Jenkins memorialises his father. Here his imagination is turned from the sensually provocative to its opposite pole, cold nostalgic grief. "Eight Bells," "The Night Watch" and "Player's Navy" make the poet's loss painfully real. But the touch is not altogether sure in "Bertha," whose oddly phrased final couplet offers a funerary image which seems inappropriately grotesque. "I hardly want you to wake up, to scare yourself/ You've found your last berth,

now, on my bedside shelf." One other quibble is with the title of "L'Esprit de l'escalier," an amusing, fairly light poem about the perils of upward mobility. "When I found my dinner-jacket laid out on the bed, my shirt and trousers pressed, I wanted this to happen all the time/ and wondered if I had l'Esprit de l'escalier (I thought it meant the wit to climb). But the expression is 'l'Esprit d'escalier', and is the soleism delirante!" Allen Curnow's *Selected Poems*, issued as a handsome hardback from Viking, are by no means instantly readable. My inclination after perusing the book was to throw it down in bafflement; and then the inscrutable magic of the lines began to work. Curnow (b. 1911) is the most celebrated living, or even dead, poet of New Zealand; indeed, he is credited with having largely invented the art-form for his country. Without bearing himself, he offers his foreign readers few. He has written poems in memory of Wallace Stevens and

ARTS

Instilled with a great love of art

Patricia Morison recalls the shy tycoon behind the Courtauld Institute



'Void Field' by Anish Kapoor, 1988, in the beautifully prepared British Pavilion exhibition

Sculpture of all kinds on the Serenissima

THE VENICE Biennale is the largest regular international jamboree of modern and contemporary art, not necessarily the most edifying, enlightening or encouraging, but usually intriguing and always enjoyable. Its 44th manifestation was declared open to the public last weekend, after the better part of a week of press-views and assorted celebrations, and remains so until September 30.

It falls loosely into three parts, with its heart in the Giardini di Castello, at the far tip of the main island towards the Lido. There among the trees are to be found the pavilions that house the individual contributions of the participating nations, of which there are 48 this year. All are eligible for the Biennale's several prizes, and together they constitute Part I.

Part II consists of the several survey and thematic exhibitions, principally those in the Central Pavilion in the Gardens, and the huge Apero 90, of more than 80 of the world's younger artists, held in the extraordinary *Corderie dell'Armenia*, that was the rope-making shop of the historic Venetian Arsenal nearby. Though it may hold, among so much else, the life-size and full-outdoor spectacle of Jeff Koons' lubriciously entwined with 'la Cucciolina', to walk its length of a quarter of a mile or more is experience enough.

The ancillary and specially invited shows, both in the Giardini and scattered throughout the city, make up Part III - the Biennale's fringe, sometimes its ornament. Of these *Mondrian and De Stijl: Ideale moderno* at San Giorgio Maggiore, is a small yet entirely admirable study of early constructivism in relation to movements current elsewhere, and its ramification into architecture and design. A joint effort by the Cini and Guggenheim Foundations, it is not truly part of the Biennale as such, but should not be missed.

A vaporetto stop away, in the *Antichi Grandi*, the old grain warehouses by the Zattere on the Giudecca, *Ubi Fluxus Rex Mox* (where the flowing, there the motion) celebrates in entertaining but impenetrable profusion the 30 years of *Fluxus* itself, that paradigm of 1960s alternative, inconsequential creative therapy. Everything is Art: do your own thing; all you need is love.

Across the city, at the Ca' Pesaro on the Grand Canal, is a concise retrospective to honour that distinguished veteran

William Packer finds the Scots playing the tune at the 44th Venice Biennale

this year. It is a happy stroke, made happier by the inaugural piper's appearance on the Italian national network's evening news, for this is the first specifically Scottish representation at the Biennale since long before the First World War. The Australians have been told that their pavilion, put up in 1988, is the last to be built but the Irish want one and so, clearly, do the Scots. Who is to say what might be done before the millennium?

The less said about *Apero* the better. With its emphasis upon sculptural installation, with inevitable theatrical connotations, there is depressingly little that is actually well made or achieved. In this respect the Koons-Cucciolina embrace at least stood out as much for being so thorough-going in its neo-baroque realisation as for its other, more startling attributes. For the rest, either it was a case of throwing it together or reducing craftsmanship to the simple matter of the conscientious assembly of ready-made parts. It seems that younger artists who catch the international curatorial eye can no longer, perhaps dare no longer carve or model with any conviction. The same goes for what little painting there is,

most of it perfunctory where it is not banal. In this company our own Theresa Oulton seems a master - which she is not, but thank goodness she is there.

Where the content is everything, the form falls away. Dada and Surrealism, in themselves essentially literary forms, gave the artist the excuse that the idea is everything. In *Apero* we witness the decadence of Surrealism and the poverty of the excuse.

The national pavilions, mixed and uneven bunch that they are and with the emphasis again on sculpture of all kinds, have much more to offer. The major powers again monopolised the prizes which to lose credibility by their too obvious politicking. What is there to make of a painting prize that goes to a sculptor - the Italian, Anselmo; a sculpture prize given to two photographers - the German, Rilla, and Bernd Becher; or a young-artist prize for a sculptor already 36 - our British standard bearer, Anish Kapoor?

The Best Pavilion Prize went to the Americans for James Holzer and her diode screen displays and marble floors and benches, all carrying her heavy epigrams and dull profundities, all beautifully executed, it must be said. It is also noticeable how much more interested the Americans seem to take now the prizes are back.

Again no painting caught the judges' eyes, though there was enough to do so. Carlo Maria Mariani, with his post-impressionist, expressionist, and her diode screen displays, was surely in the running against the bare marble slab reliefs of his compatriot, Anselmo. The abstract expressionism of the Yugoslav, Zoran Gavric was serious enough to quality, and the two figurative expressionists from East Germany, Walter Libuda and most especially, Hubertus Giebe, were outstanding.

But there it is. The Kapoor exhibition in the British Pavilion was beautifully prepared by the British Council, with sponsorship from Momart and the Henry Moore Foundation. It was open on the dot of ten on the first morning of the private view, and the two figurative expressionists from East Germany, Walter Libuda and most especially, Hubertus Giebe, were outstanding.

IN A LITTLE under a fortnight London will have a splendid new art gallery. On Friday 15 June, the Courtauld Institute Galleries will open to the public at their new home, the Fine Rooms of Somerset House in the Strand. Somerset House is a veritable neoclassical palace, built in the 1770s by William Chambers. A town last week of the galleries, still incompletely hung, quite bowled me over.

Uniting the Courtauld Institute of Art and its world-famous Old Masters with Somerset House has cost over £10m. Of this, £5m has been raised by public appeal major corporate donors include: Pearson, IBM, Courtauld, City Bank, Toray Industries. The result is a marriage made in heaven.

Amid the jubilation, we should recall the tycoon behind this great collection. Samuel Courtauld IV, who, half a century ago, created the Institute was one of the most enlightened and civilised tycoons England has produced this century. All his life he worked for Courtaulds, the textile group, and was chairman from 1921 until the year before his death in 1947.

The Courtaulds came to England as French Huguenot refugees after the Revocation of the Edict of Nantes in 1686. Like many Huguenots, three generations of the family worked as goldsmiths. Courtaulds has loaned its important collection of the family silver, not previously seen, to Somerset House. However, it was funerals and not tea parties which in the 19th century put the Courtaulds in the limelight. In 1831, Black 'Crape', which well-bred Victorians required in enormous quantities for mourning attire, provided the first ladder of success.

The second was artificial silk, first woven in France. Then rayon, which Courtaulds manufactured here and in the US. Sam Courtauld was therefore born with a silver spoon in his mouth. His family by that date had come to be regarded as only a touch odd among the Essex gentry for being Unitarians, members of a small, austere Protestant group which had jettisoned the Trinity.

Courtauld enjoyed his wealth. He bought Geccombe Park in the Cotswolds, now Princess Anne's home. He liked to drive fast cars and, late in life, took up hunting, which he pursued with immense energy. The memoirs of Christopher MacGibbon, Abernethy, do not dwell on her close friendship with the Courtaulds, nor on her deeper intimacy with Sam after his



'A Bar at the Folies-Bergère' by Manet: the move to Somerset House this month at last reunites the Collection with the Institute

wife's death in 1931. However, they paint a dizzy picture of the pre-war smart society in which Courtauld moved. However, Courtauld was emphatically not a frivolous man. According to his grandson, Sir Adam Butler, (Courtauld's daughter married Rab Butler, and he financed his son-in-law's political career) Courtauld was 'a typical Huguenot, with a very strong work ethic.' Also, and rather shy, he loathed publicity and refused a peerage in the Coronation Honours of 1937. Advertising he characteristically denounced as a waste of money.

Art played only a minor role in Courtauld's upbringing. Early visits to the National Gallery he found dampening, the atmosphere too rarified, but the Royal Academy's exhibitions were more entertaining and he warmed to the colour and vitality of Turner. Instead of university, he was sent to study silk-making at Crefeld in Germany, and in Paris. As so often, Paris proved rather more of an education than the 'Old Masters' in the Louvre. A revelation, and he also began to explore modern French paintings, starting with Degas's ballet pictures, then

Manet, Monet and Renoir. Courtauld's developing passion for Impressionism was far from conventional. The English public still found Impressionism a puzzle, and later followers such as the Fauves were ridiculed in the popular press. In 1910 and 1912, when Roger Fry mounted exhibitions to introduce the British public to recent French painting, Courtauld remained unconvinced. Cézanne, too, left him cold until, in 1922, someone, possibly the painter Glyn Philpot, showed him a Cézanne landscape. It was as if Courtauld had fallen in love, and he began to collect, with greater single-mindedness and unerring taste. His wife, Elizabeth, shared his enthusiasm and within ten years, they had created the most important Impressionist collection in Britain. Prices had risen steadily in response to a keen American market, but Courtauld was able to buy many key masterpieces, such as Daubigny's haunting 'Don Quixote', Seurat's 'Young Woman Powdering Herself', 'Cézanne's 'Pêcheurs', and Gauguin's 'Nevermore'. Most famous of all, he secured Manet's 'A Bar At the



A bronze bust of Samuel Courtauld IV. Folie-Bergère. His wife's death in 1931 marked the end of his great period of collecting.

Courtauld was set apart from other wealthy collectors by his highly emotional response. He wrote a volume of poems inspired by his paintings, and developed an artistic creed which he extolled in lectures and essays. It drew on all the philanthropic high-mindedness of a Victorian Dissenting background. Sounding like William Morris, he lamented the worship of materialism. Sounding like Prince Charles, he condemned 'packing cases architecture, handed over entirely to engineers and cost accountants.' Even bad taste and pastiche was preferable to abandoning the search for beauty which alone would 'stop the stagnation of the human spirit'.

To instill a love of art in 'the

great host of laymen' became the Chairman of Courtauld's personal crusade. In 1923, he endowed the Tate Gallery with £50,000 to buy Impressionist and Post-Impressionist. Thanks to him, the first paintings by Van Gogh, Seurat, Cézanne and Bonnard, entered a British public collection. Then came the creation of the Courtauld Institute, to train students in 'enlightened criticism of art.' Like a Jesuit seminary, the Institute was to send forth its missionaries for the propagation of art. On his wife's death, Courtauld gave the Institute his fine house at 20, Portman Square, built by Robert Adam, and much of his collection of paintings, sculpture, and furniture. The fate of the house is still undecided although London University is negotiating to return it to the Portman Estate.

The Institute was another benefactor, notably Count Antoine Selliern who in 1978 donated his magnificent Princess Gate collection. The move to Somerset House means that for the first time in over 30 years the Institute is reunited with its paintings. Because of shortage of space, they were moved to Woburn Square where even so, major works by Botticelli and Goya had to be kept in storage.

There is a famous story about the Courtauld Gallery's days in Bloomsbury. The actor, Charlton Heston, was being shown the collection when he stopped in amazement in front of Manet's 'Bar at the Folie-Bergère'. 'I didn't know this was here!' he exclaimed. 'Come to think of it, I didn't know here was here.' Those days of public amnesia are now ended. The move to Somerset House means that Sam Courtauld's visionary objective has taken a leap forwards.

A tough nut to crack

Antony Thorncroft on the abortive British attempt to sell antiques to the Japanese in Tokyo

THIS MONTH the British antiques trade is playing host to the world in London, with its grand fair at Grosvenor Gardens, its specialist ceramics and book fairs at the Park Lane Hotel, its splendid gallery shows and its major auctions.

But it is the last defiant blaze of a dying culture. The most enterprising British dealers, and on the whole they are a get-up-and-go crowd, realise that to prosper they must seek out their new customers overseas rather than rely passively on the appeal of London. In Japan, which is why the fair at hand has just struggled back from Japan and last week's *Antiques Tokyo 90*. They had an interesting time.

Japan is a notoriously hard collecting nut to crack, but cracks it must be. By some accounts Japan already imports half the entire world annual auction sales of £2.5b. In certain fields, like Impressionism, 20th century and contemporary pictures and prints, Chinese works of art, and jewelry, the Japanese are dominant players. Only last month the whim of a Japanese paper manufacturer ensured that Sotheby's and Christie's key sales in New York were a success. If Mr Saito he had not been prepared to go up to \$2.5m for Van Gogh's *Dr Gachet* and \$78.1m for Renoir's *Au moulin de la Galette*, the great art revival would have been stopped in its tracks.

Both paintings were bought through a Tokyo dealer and perhaps the main objective of *Antiques Tokyo 90* was for the British to charge round the back of the Japanese dealers and get to know the elusive Japanese collectors direct. So, underpinned by the DTI, which was easing the expense with around £350,000 of tax payer's money, 54 adventurers set off.

The general consensus was that there is always a high price to pay for experience. Antiques to the value of at least £20m were transported to Japan, at a cost to some of the big picture dealers of approaching £50,000. In the event goods valued at less than £2m will stay in the East. There are tales of anger and despair, frustration and bemusement, but

even so many of the participants will be at *Antiques Tokyo 91*.

The main cause of the discontent was the absence of the Japanese. One exhibitor calculated that there were only around 400 serious visitors during the four-day fair. The organisers claim that advertising and public relations were lavishly employed, and that 100,000 private invitations were sent out. The participants tell of incompetence at the British Embassy, whose reception attracted only 40 guests, and a badly printed, incoherent catalogue. The Japanese have to be Japanese, and instead there was a belated blitzkrieg.

A major grievance was that the fair was billed as a trade exhibition. To the Japanese this suggests an antique flea market, not the lavishly appointed, and their generally modest prices ensured sales.

So *Antiques Tokyo 90* was poorly promoted and hidden away in the wrong part of town. There was little incentive for enthusiasts of western art to take time off work to check it out. And yet there will be another Fair next year. All the dealers are prepared to invest more time and money in developing Japanese contacts. It will be a tricky business getting under the guard of the Japanese dealers, who fiercely protect their clients, but the fruits of victory are tremendous.

money on the trip.

Elsewhere there was business. Spink did well, disposing of around £250,000 worth of tapestry to a new local and able interest in its French paperweights, of which a dozen sold, and some Kakiemon porcelain returned to Japan. More to the point it made a handful of new contacts. Even the dealers who failed to clinch a sale talked happily of useful discussions which might one day lead to a regular client. Unfortunately private buyers were almost invisible (although Franz Hausback sold a 550,000 tapestry to a new local and able interest in its French paperweights, of which a dozen sold, and some Kakiemon porcelain returned to Japan. More to the point it made a handful of new contacts. Even the dealers who failed to clinch a sale talked happily of useful discussions which might one day lead to a regular client. 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TRAVEL

Golfing where the greens are yellow

A ROUND of golf can be a trying experience in the Atacama desert. The fairways at the Lachimba club on the outskirts of Antofagasta are very rough. They are also made of sand. The last course in Chile before the frontier with Peru boasts commanding views over the Pacific but not one blade of grass.

The club, formed earlier this century to relieve the boredom of British railway engineers and mine prospectors, is one big bunker. Even the greens are yellow - where the sand is packed smooth - and unlucky players risk losing their golf balls in the mini-whirlwinds that blow in from the sea, or to the hungry pelicans on their final approach to the city's fish market.

It could be a great course if only it had water. But Chile, a slither of land stretching 2,650 miles, is barren at its northern end. Breezes sweeping off the Atacama sometimes fill Antofagasta with grit and bury the pipeline which brings water from the Andes. Liquid is such a valuable commodity that the fire department uses recycled water from the city sewage plant to douse blazes.

Until the 1930s, the only foreigners to visit the region regularly were mine engineers. The Atacama concealed the world's largest concentration of natural sodium nitrate. The desert became a moneyspinner by supplying fertilisers and explosives to the world markets. But the mines closed as synthetic nitrates were developed and the pit settlements were abandoned. The fall in demand for Chilean nitrate is evident in ghost towns like Pampa Unión, once home to 40 brothels serving the mines, but which now lies in ruins.

Tourism will never match mining as a boom industry. But a few Chileans, whose immigrant fathers worked in mine-related industries, are now catering for foreigners. One of them, Niko Rosso Suicarovich, runs a bus company driving visitors into the Atacama. He hangs a Yugoslav flag next to the regulation picture of the Madonna in his cab.

Suicarovich says he gets bored with the endless browns of the desert. On straight pieces of road he likes to take his hands off the wheel and relax. The 14-year-old Mercedes almost drives itself, he says, after consuming 387,000 miles and three engines in the region.

Suicarovich likes to surprise tourists. He takes them five hours out of Antofagasta and on to a rocky track first discovered by Father Gustavo

Le Paige, a Belgian Jesuit priest with a taste for archaeology. Le Paige, who died in 1981, opened the way for tourism in the region when he came across some Atacama Indians among the rocks. The Indians are still sitting where he found them. Their skin has turned a red brown and their nails are worn and black. They are also dead.

Flesh does not decay in a climate where the frequency of rain is measured in generations rather than inches. Suicarovich says that the 2,000-year-old remains would not last long in a wetter region. The bodies are safe, however, in the desert stretching from Coquimbo to Arica - the equivalent of London to Madrid. The Chileans claim that Arica, on the Peruvian border, is

In the last part of his Andean series, TIM BURT traverses Chile through the Atacama desert, smog-bound Santiago and the mountain lakes, where they are catering to a new-fangled business - tourism.

the driest city on earth. "The poor people don't bother with roofs on their houses," says Suicarovich, "It rarely rains."

When it does rain, it pours. In the wet the dirt roads turn to sludge and few vehicles brave the swerving descent into the mountain village of San Pedro de Atacama, the last sizeable settlement in Chile before the frontier with Argentina.

San Pedro, hemmed in on one side by the rugged Valley of the Moon and on the other by the volcanoes and salt lakes of the Andes, is an unlikely holiday destination. Accommodation is rough and ready: the hotels rely on candles after the electricity cuts out each evening and the locals say the tap water has a high arsenic content.

The town is on the tourist map because it is home to the storehouse of Indian relics collected by Father Le Paige. His life's work is housed in a museum of artefacts. The road passing the museum turns into a dirt track a few miles beyond town. An hour later it turns white and smooth as the dust gives way to salt. San Pedro sits on the edge of salt flats stretching for 100 miles. The area is lifeless but for a few

Silent sentinel: a fertility god of the Atacama Indians

flamingos and sand pipers which flock out an existence on the Lago Blanco - the white lake - which has crystallised into a salt crust strong enough to drive a jeep across. It is a lonely place and Suicarovich admits he is glad to leave it for the return journey to Antofagasta, a city signposted in the sand by litter and glowing glass. Unlike the Suicarovich family, most European immigrants - led by the Germans - ignored the Atacama in favour of lush land south of the capital, Santiago. Many of them chose to settle in the lake district 700 miles from the city. They may have predicted the demise of the capital, which now sits under a daily pall of smog. The roads are congested with fuming buses and much of the colonial



architecture is left unrepaired. The only relief to the grime is at the Club Hipico, the well-kempt horse racing circuit in the city centre, and in the old quarter of Bellavista, where market stalls jostle for space on the shaded sidewalks.

Landing in the lake district is like getting off Latin America and stepping into central Europe. The scenery is the stuff of Swiss chocolate boxes, with snow-capped peaks and lakes tinted green by copper deposits. The German immigrants who settled around Puerto Montt built houses with an Alpine flavour. Steeply angled roofs and shutters are common and some of the homes look as though Julie Andrews and the Von Trapps once lived there.

A congregation in Lederhosen would not be out of place in the Lutheran cathedral of Puerto Varas, a town on the edge of Lake Llanquihue where German is the first language spoken by a quarter of the community. There is little to commemorate the Araucanian Indians who once ruled the region and were the last tribe in the Americas to surrender to Spain.

The island of Chiloe opposite Puerto Montt was an Araucanian stronghold, but it too was conquered and only a few statues of angry Indian gods have survived. The Indian place names are, at least, intact. Perhaps the Europeans could not muster words to sum up the raw power of Petrohué Falls, where solidified lava forces the mountain rivers into cascades, or the beauty of Osorno Volcano which towers above All Saints Lake. The lake, fringed by beaches and mountains, is the main eastern thoroughfare out of this part of Chile. The route is manned by Captain Belarmino Carcamo who thinks his job takes him up to the most spectacular border crossing in the world. He is probably right.

Captain Carcamo has steamed across the lake for 32 years in the Peulla, the ferry boat which is the only means of transport out of this part of the country. From the wheelhouse he can see the white peaks of the Andes emerge above the green lake. It is a fitting setting for the tail end of the longest mountain range in the world.

"I'm a lucky man," says Carcamo, "I go to work every day and watch the seasons change in front of me." Most of the year the temperature on the lake is summery while spring flowers bloom on the shores. Higher up, the leaves change colour and each morning the sun melts the wintery snow on Tronador, the mountain which slopes away from Chile and into Argentina.

Tim Burt travelled with Journey Latin America (081-747-5315), which organises tours in the Atacama desert and Chilean lake district. *Abril* flies to Santiago via Paris and Buenos Aires with onward connections to Antofagasta and Puerto Montt.

All geared up for mountain madness

THE BREATH tore from my lungs and my legs ached from the strain of pedalling up an endless incline in the lowest of 15 gears. The thought uppermost in my mind was relief that I had not bought the mountain bike. It was only rented. This meant that at the end of the day it could be returned to the hire shop, and I would never have to ride again.

A fact often overlooked in the hype surrounding mountain biking is that mountains are big, and only a maniac would ever try to take a bicycle up one. The large, rough tyres on mountain bikes tend to be outclassed by the rocks and shale of a mountain path.

This is only part of the problem. The main drawback with mountain bikes is that they don't have engines. It is all very well saying that this makes them quiet and ecologically sound, but the calm pedestrian strolling along a scenic footpath is unlikely to be too impressed. The approach of a mountain bike is heralded by the unpleasant sounds of human exhaust - painful grunting and panting - followed by the noise of avalanches of small stones scattering from the rear tyre. Hill-walkers have to stand aside as the greener-than-thou cyclist wobbles precariously past on £1,000-worth of aluminium spokes and gears.

To try to modernise the old biking image of a cloth-capped worker pedalling sedately to work, the marketing men came up with a rugged, macho monstrosity incorporating enough gears to power a moon rocket and countless quick-release catches so that the bike can fall apart at a second's notice. To emphasise the rugged, outdoor, and - above all - green qualities of their reinvented bicycle, they adopted the name "mountain bike."

This does not mean that it will go up mountains. Or rather it will, but only with a great deal of human help. I was up among the rolling green hills of Scotland when I decided to test out the mountain bike experience at first hand. The Nordic ski centre at Braemar, Glen Shees, rents out a range of sophisticated, state-of-the-art mountain bikes for £10 a day.

A flip of a lever adjusts the seat and handle-bars, and the chain runs through a volley of cogs that adjusts the gearing through all conceivable combinations of speed and effort. At one end of the scale the rider's feet can spin like gyroscopes to make the bike eddy along at small's pace. At the other, they can power around with long, measured strides while the bike steams down the north face of the Matterhorn

with the speed of a meteor but none of the certainty.

I cheated from the start and took the bike to a suitable valley in the back of the car. Only then did I try to ride it, and realised almost immediately that I was making a terrible mistake. I set off huddled like a Michelin man in four layers of clothing against the biting north wind, though it soon became clear that one good thing (it later turned out to be the only good thing) about mountain biking is that it keeps you warm. In seconds I was roasting as I struggled to keep going up a rough stone track that twisted out of sight up an interminable hill.

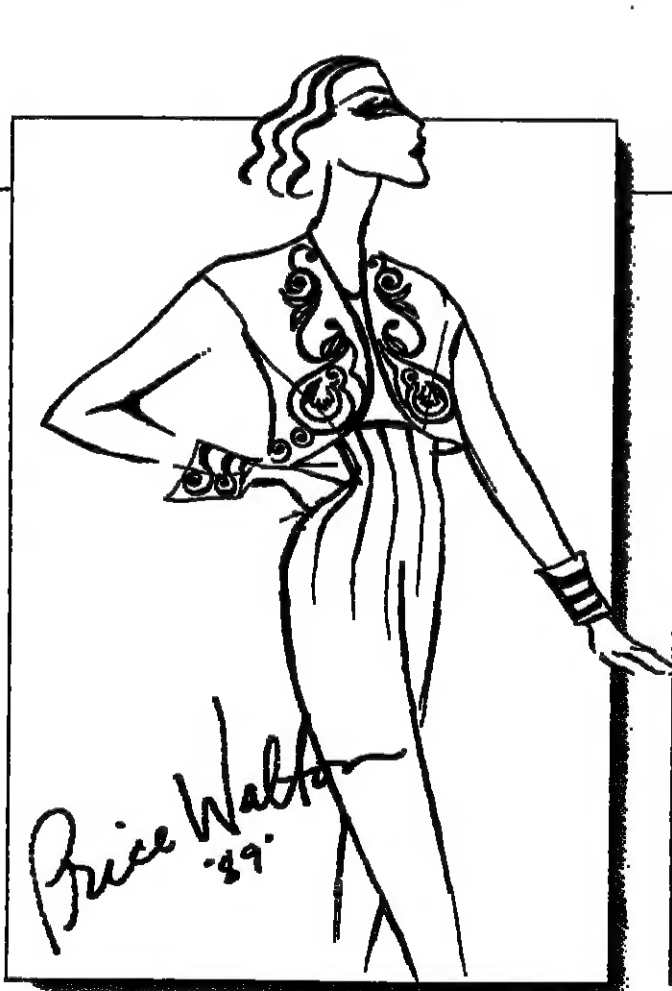
Unfortunately, there was little opportunity to enjoy the view and most of my concentration was needed to avoid rocks on the trail. Although I had 15 gears at my disposal I never got out of the bottom five. This was partly because road-holding is one of the problems of

Reluctant cyclist Jack Barker huffs and puffs his way to the top of the hill

pedal-power that gearing does not solve. Farmers wisely buy Subarus or Range-Rovers to negotiate their rocky trails, and suburban sportsmen on gleaming new bikes will find that even downhill their speed is restricted by an uneven road surface that tears at the front wheel, or transfers jarring spinal bumps through the rugged mountain seat. If going downhill is bad, climbing is worse. A walker, if tired, can stop and pretend to look at the view before turning back to the slope and carrying on up. The mountain hiker is not so lucky. On a steep incline it is almost impossible to start off from a standstill: the rear wheel slips, the front wheel lifts off the ground, and the hiker tumbles down the slope. So it is important to keep moving, even as exhaustion supersedes pain.

The "sport" of mountain biking is apparently increasing in popularity throughout Britain. Fit-looking evangelists in wind-cheating knee-length shorts wax lyrical about the pleasures of the fresh air and the views. But fresh air and views have not yet been privatised by the mountain bike community, and are better enjoyed by purchasing a pair of shoes rather than a mountain bike. I am glad I discovered this before reaching for my credit card.

CHICAGO WOULD LIKE TO REMIND EVERYBODY THAT THE FIRST FOUR LETTERS OF ITS NAME ARE CHIC.



The place that Carl Sandburg once described as "hog butcher for the world" and "the city of big shoulders" has indeed emerged as one of the



world's most fashionable locales. Names like Giorgio Armani, Versace, MCM, Bottega-Veneta and Ultimo are commonplace among the many designer



boutiques populating Oak Street. And the grand department stores of that great street, State Street. Then there are names such as

Bloomingdales, Tiffany's, I Magnin, Neiman-Marcus. Just a few of the renowned merchants that dot the landscape of our famous and fashionable Michigan Avenue.

Adding further luster to Chicago's tres chic reputation are such designers as Mark Heister, Becky Bisoulis. And, of course, Price-Walton.

Lastly, there's the magnificent Apparel Mart, which attracts over 3 million buyer visits a year.

For tour information and more details regarding this fashion mecca, call American Express Europe Limited in London, at (01) 499-4436.

Chicago. These days, we're not only the city of big shoulders.

We're also the city of padded shoulders.

CHICAGO. THE AMERICAN RENAISSANCE

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John, in the

TRAVEL

A Civilised Weekend

Boston — stimulating and neighbourly

BOSTON for the weekend? Why not. It is "our" side of the US, both in terms of (less than six hours flying) and in affinity. Substantial parts of Boston have retained an old gentility that would warm the heart of a retired Cheltenham man. Walk along Beacon Street — only respectable street in America — (Henry James) and turn Lewisburg Square with its red brick terraced houses, and you will be a serious young 19th century student ambulating down the River from Harvard to call on local resident Louisa M. Alcott. Boston is very good at keeping its parts hidden. There is a south-on, black and seething, but the need not step out of a small island of land stretching across the Atlantic, much of it aimed from the 18th century, dubbed Back Bay. It is covered with the elegant mansions of late Victorian age, built by the *beaux riches* who could never be Boston Hill Society, and the families like the Lowells, who talked to the Cabots, and the Os, who talked only to God. Boston looks good. It is a very nice city — education is its main industry — so it is worth spending an afternoon getting your bearings on a tourist trail, delivering yourself up to the wit and whimsy of student guide.

Trail, a red line on the pavement, takes you past 18th century churches; the old State House, a red brick Georgian box that would look at home in Exeter or York; Quincy Market, Boston's superior answer to London's Covent Garden — a glorious confusion of bars, restaurants, tourist shops and flower stalls; and then, under a motorway, into the oldest and most interesting sector, North End. For a century this has been Little Italy, where you might well be slowed by a Saint's Day procession and where the pizza and ice cream parlours nestle among an established and robust working community, living in old terraced streets that climb up to Bunker's Hill. This is the place to eat.

Now you have done your tourist duty. On Saturday you can enjoy yourself. I have a pathological hatred of shopping but in Newbury Street, which pokes a finger into

Antony Thorncroft takes a refreshing break in an erudite and sociable city

Back Bay, I began to see that it might be fun. Under its shade of trees this must be one of the most elegant shopping streets in the world. Its smart fashion names are interspersed with churches and with such leaps of the imagination as Louis, which once housed the city's natural history museum and now offers four floors of restrained chic.

Here cluster many of Boston's art galleries, competing with such rest stops as basements serving food, low-fat yogurt; a bookshop which doubles as a bar and stocks the best beer in the world, the locally-brewed Samuel Adams; and a sweet. Enchantment, a confectionery shop decked up like a magical forest, where you can hardly move for candy.

It is a warm day so you fancy a sea breeze. You can walk along the Charles River to Harvard, with lovely views of the city and a whirlpool of street theatre outside the subway station which links it to Boston in 10 minutes. But why not hail a cab to North Station, and for little more than £1 take the train

north for an hour to Salem? This town was briefly, around 1820, the trading capital of North America. Its sailing ships reached China and beyond. Its merchants grew rich and built fine mansions, which remain.

And in a village just outside Salem, in the late 17th century, there was the outbreak of hysteria which spawned the infamous witch trials and gruesome burnings. Salem has now learned to accept this grim part of its history — its emblem is a flying witch — and a museum makes a chamber of horrors of the events. But you can quickly recover your senses by walking down to the salt-scrubbed quays, to the opening to the ocean, perhaps making the long journey out to view the whales, sightings guaranteed.

In the evening in Boston you should be sociable and join the crowds around Quincy Market, for Sunday should be given over to the soul. Perhaps a sensible sermon, and then on to the intellectual feast of the city — its museums. The Monet show might have departed the Art Gallery but its Old Masters are breathtaking, and across the block there is Boston's greatest draw, the Isabella Stewart Gardner Museum.

Gardner was money who married money and gave her widowhood to art, building herself an Italian palazzo and stuffing it with an audacious rape of Italian treasures. Around 1900 her agents sent back works by Botticelli, Raphael and Vermeer, and topped them up with the moderns, portraits of herself by Sargent and Zorn.

A recent robbery has shorn the museum of some of its treasures, including the Vermeer, but looking out from a gallery over the Renaissance courtyard, always ostentatiously blooming with flowers, there is little sense of loss, rather a fleeting companionship with a Medici Prince gazing in visual sensations. At 3 pm on a Sunday you can retire to the music room for some chamber music, perhaps a little jazz — the perfect preparation for the flight back to the UK. Boston is stimulating enough to refresh, familiar enough to relax. What more could you ask of a weekend?



Boston old and new: The Faneuil Hall (built 1742) and Exchange Place

Unpackaged tours

FORTY YEARS after the package holiday was created — thus transforming the way the British took their holidays — the "unpacked" holiday has this week been offered as a solution to those who feel restricted by regular package deals.

Pickfords Travel, the travel agency, is giving customers the chance to book each component of a holiday separately and so choose, to a far greater degree, the hotel, flight, transfers, insurance and other elements that make up a typical package.

Andrew Jones, Pickfords' marketing manager, says that the move reflects the growing sophistication of holidaymakers. "They've travelled a lot and know what they want. We thought they would like greater freedom to choose exactly the type of accommodation and flights."

The Pickfords brochure launching the service includes a rating system to help customers choose between the 100 hotels and apartments on offer in mainstream Mediterranean resorts. Jones insists that the traditional package holiday is not dead: "The holiday market is simply going through a change," he says. But with the overall UK package market down by 20 per cent in volume this summer, travel companies are realising the need to offer alternatives.

However, Pickfords' unpackaged holidays are really nothing new: many small operators offer a tailor-made service to help customers put their own deals together. "It's nice to see other people catching on to something we have done for years," says Primrose Stobbs, marketing director at Abercrombie and Kent, the specialist tour company.

"Some 95 per cent of our customers use our brochure as an inspiration for ideas to tailor-make the holiday they want," Stobbs believes that many experienced travellers prefer to go it alone because of a "fear of ending up in a group of people they don't know and have little in common with."

This year A&K has especially noted that Kenya has become popular for independent travellers wanting a tailor-made safari. She says that some Kenyan safaris have become too over-organised, and that A&K has developed a "Kenya & A&K" programme for those wanting to venture off the beaten track on their own. In the autumn it is also launching tailor-made sports and adventure programmes to Kenya and elsewhere. Next year A&K plan an *à la carte* programme for South Africa.

And that first package holiday some 40 years ago? The idea came

from Vladimir Raitz, a Russian emigrant and former Reuters correspondent who became chairman of Horizon Holidays. He took the very first group of Britons on a charter holiday to Corsica at a cost of £32.50 per head.

Last weekend should have been one of the best of the year for UK car rental companies, but the combination of a Bank Holiday and sunny weather still left demand lower than last year.

In normal circumstances it should have been a bumper weekend for us," says Aidan O'Kelly, general manager of Hertz UK. "But it is clear that the squeeze on spending is stopping some people from hiring a car for the weekend." This slowdown has forced car rental companies into an increasingly competitive stance. Europcar, for example, this week launched a new campaign to give customers a better deal. It says it is offering a simple, all-inclusive rate structure to end consumer confusion about car rental.

"For far too long the public has been disillusioned with car rental," says Tim Eaves, Europcar's UK marketing director. "We want to kill off public perceptions of inconsistent service, confusing price structures and complicated booking systems." Europcar says that the car rental business is losing millions "through incorrect billings with too many transactions ending in apologies and offers of compensatory vouchers."

Europcar's new approach, however, is rather long on promises and short on anything concrete to improve customer service. The main thrust of its campaign is an all-inclusive rate structure for rental, yet similar deals are already available from rivals Hertz and Budget. In current market conditions, leisure travellers are in a buyers' market and should be looking for discounts rather than hype.

Richard Branson's Virgin Atlantic Airline has re-launched its economy class service on the increasingly competitive North Atlantic routes. It is removing about 50 seats from its economy section. It is also reducing the number of business class seats from 72 to 50, thus creating more space for the 302 economy class passengers. The move reflects the shift in emphasis towards economy class passengers by most major airlines, which have spent much of the past decade improving in-flight comfort for the business

David Churchill

SNAPSHOT

Found: a not so New England

THERE IS a saying in New England: "If you don't like the weather, wait five minutes and change." Sounds familiar? It is more: green fields and tiny houses and narrow roads, towns called Norwich, Fram, Warwick. New England is remarkably like a messianic.



is a shock for those who expect a version of kitsch: spiced sausages, burgers, Hollywood clichés, Gotham City crappers, ugly murder sties. You soon realise that New England they don't. Everyone seems friendly neighbourly. There is a

community. In essence, they gave birth to America. You can visit these heroes at Plymouth Plantation: a living history museum. It reconstructs Plymouth's First Street seven years into colonisation — a busy, fort-like settlement with rustic wooden houses lining a single narrow, dusty street. Chickens scratch at the dirt, hairy brown pigs roll in wooden pens.

In among these — baking bread, tending their livestock or gossiping — are the pilgrims dressed in full pilgrim regalia and speaking pilgrim-speak. These are "role-players". 20th century historians acting out 17th lives.

The Plantation is one of the few museums in New England concerned with native American history. Whereas in most New England museums you will find a pestle and mortar and some costumes or arrowheads on display in small glass boxes, at the Plantation you can see a replica of a 17th century Indian village. It is small, with a couple of dome-shaped dwellings, a canoe and a few model Indians congregating in pow-wows or shelling corn.

Linked to the Plantation and three miles further west is Mayflower II, a reproduction of the original vessel. It lacks the scale of the Plantation and seems out of context among the nearby 20th century fishing boats and swarms of two-wheeled tourists. But you can sense how the pilgrims felt on board — their claustrophobia, vulnerability and tension.

New England is covered by a network of similar museums, houses and villages. They vary in size from the tiny Plymouth Hall to the spectacular Heritage Plantation, which is devoted to preserving American artefacts and plants generic to New England. An interesting side effect of this obsession with the past is that the US has found itself an aristocracy. John Proctor, a financial consultant, has two ancestors that came over on the Mayflower, which made him "almost an aristocrat." Each year the Mayflower Society processes thousands of applications from people hoping to find they are descendants of the pilgrims; invariably they are turned down.

Melanie Cable-Alexander

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SPORT

'Skip the Derby, but bet on Russia'

Michael Thompson-Noel in conversation with Britain's richest bookmaker

WITH NEXT week's English Derby at Epsom rushing towards us, I strode into the wicked heart of Mayfair last night so as to have a word with a man who has seen it all, knows it all and Derby winners for breakfast - Jack Hillbrooke, the silver-haired chairman of Hillbrooke's the bookmakers.

Jack Hillbrooke is an engaging sort. I have known him for 20 years. Hillbrooke's used to be quite small, its origins humble, but now it is a megacompany - an addendum of the Footsie-100 list and the controller of a powerful empire (betting, leisure, hotels, airlines, gold mines, timber, shipping and property) that stretches from here to Coolangatta.

I rang the bell and was swiftly admitted. An ex-RGB security guard patrolled me down and watched while I signed the visitors' book, then dogged my heels as I took the birdcage lift to the seventh floor and entered the chairman's private office. It is a circular room which knows no day - is forever plunged in video night-time, with banks of computers whirling and TV screens relaying the action from foreign parts. The only painting in the room is an incontinent nude by Piero Bellotti.

Jack Hillbrooke is the 17th richest man in Britain. I am the only journalist he ever sees. He cannot stand the rest. He enjoys my jokes. "Bring us some caviar," he told the guard. "Michael looks hungry. Then you can leave us."

He turned on a smile. "You are obviously thriving," said Jack Hillbrooke cheerfully. "I hear you were seen in Cape Town last week. The previous week -

Cagliari. The week before that - Psend's Corner, all monstrously out of context and childishly unfair, etcetera, etcetera."

I smiled with the eyes, with a race-horse trainer does when his big-race runner has flopped at Ascot but one of his unknowns has just won brazenly at some horrible provincial track at odds not unadjacent to 14-1.

At this level of the game nothing is what it seems, everything a branch of humour. "That is correct, Jack," I said. "But Psend's Corner isn't what it used to be. Nothing is what it used to be. Even the Derby. Wouldn't you agree?"

"Not entirely," said the chairman. "True, the field will be small, and may well be sub-standard. There will be no Mill Reef on view next Wednesday, no Sea-Bird or Nijinsky, not even a Nashwan."

But we can eat our jellied eels and hushie for our hillbrooke in that most mysterious gulf of all - the one that glimmers in the polar wastes between 2-1 and 5-1."

The chairman often talks like that. I can do nothing about it. I am only a reporter.

Do you mean, Jack, I asked, "that you think Russia will start at less than 2-1, and will be beaten by Linamix or Zoman, the current second and third favourites,

which are still being quoted at 5's and 6's?"

"Steady on," said the chairman. "Eat some caviar. It was a present from Gorbachev three weeks ago when I signed the contract to build and operate 29 hotels between Moscow and Ulegorsk. It is the finest caviar. I wish I was quite so confident about the flaps in that contract."

Either it will make a fortune or things will end in civil war. All you can ever do is study the odds and watch for true values. Jimmy knows that well. Kerry knows it, too. What admirable characters.

"Unfortunately," he turned to a bank of screens - "I can see no value in the Derby, though that could well change. Fancied runners have been withdrawing at such a rate that we will finish with a small field and frightfully unbackable odds. Remember: the leisure businesses that own the betting shops are in a bit of a recession. Some are downloading. Except for the cleverest professionals, this is not the time to be a punter. We are surviving the fix. Raking in the money. Survival of the fittest. In any case, none of us bookies has yet got to grips with global warming."

I blinked.

"The greenhouse effect. It's changing the going. Look at the going in Britain

this week - hard at Brighton, firm at Carlisle, good to firm at Goodwood, firm at Nottingham. So it goes. The greenhouse effect is revolutionising grass-track racing. The formalities are being subjected to alterations of the utmost importance to bookies like me. We are trying to get to grips with it, developing new programs."

He tapped at a keyboard. Figures flashed before us, as fast as Nijinsky all those years ago when Lester Piggott unleashed him.

"Look at that," said the chairman. "That's GREENGOD-V, our newest program, the work of a North Korean mathematician, cost us a bomb. The Derby? It just doesn't want to know. It says that Razeev, though trained by Henry Cecil and winner of the Predominate Stakes last week, is simply not worth it at less than 3-1. He's a glass-footed favourite: possibly a bit classy, but don't touch him with a hargreave."

"As for second-favourite Linamix, trained by Francois Boutin and due to be ridden by Gerald Mossé, who has walked the Epsom track but has never ridden it, GREENGOD-V would blow a fuse if you asked for an assessment of the French horse's chances. French horses win the Derby? Like all its predecessors, GREENGOD-V is programmed to bet against

French jockeys at Epsom with all the resources at our command. GREENGOD-V has its own bank and lines of credit. It employs its own accountant. This is the future - betting wars via computer."

"Having rubbished Linamix, GREENGOD-V seems to have a soft spot for Zoman. If you can find 7-1, and also Quest For Fame. But this is not a betting Derby. Anyway, GREENGOD-V is preoccupied with global warming. I was talking to it last night. It told me that on September 22 it would reveal to me a method for raising our net profit margin on UK horse racing by 34 per cent. Thirty-four per cent! No wonder GREENGOD-V needs its own accountant."

"This is all very well," I said. "But I like to have a bet. What about soccer - whether the World Cup?"

"I am glad you asked," said Jack Hillbrooke. "Because I have three good thoughts concerning the World Cup. The best value is Germany, if you can find 7-1. Curiously, our computers like England, but don't ask me why. It is terribly complicated. The computers say this: bet against Italy and all the South Americans whenever you can."

"Personally, I'm backing Russia. You can certainly find 20's, possibly 25's. I said to Gorbachev the other evening:



"What you need right now is another propaganda coup. Tell your squad that if they win in Rome they will receive £5,000 per man - a fortune to a Russian - and all the high gear they can carry from the Rome dirty-free shop." He said he would think about it. He is an extremely clever man. He will do what I suggested. I have placed a large bet for him. At 25-1 we could all be in clover."



Martin Crowe: 'one of the finest No 3's in the world'

THE current New Zealand touring party is one of the ugliest that has ever visited England to do battle. New Zealand cricket has never had a glamorous image in Britain, for looks or for play. It lacks the crowd appeal of raw West Indian excitement, Australian bite in pursuit of the Ashes, or the faintly exotic aura surrounding Indian and Pakistani cricketers in England, with their tradition of occasional sad, noble attractiveness in looks and unpredictable genius with bat and spinning bow on the floor of play.

New Zealand represents the stable element in modern cricket: level-headed, free from fanaticism and, in my opinion, free from the perils of world-famous good looks. None of this squad is likely to be confronted with hunger strikes and threatened with a ban from the country - plus offers of daughter for sale, the constant experience of Imran Khan in his years as Pakistan's handsome bachelor hero. Mark Greatbatch, New Zealand's bright new star, is a spectacular, belligerent batsman but he is also a man of really spectacular ugliness.

Far more typical is John Wright, the model Kiwi cricketer and captain of the present team. The only thing many English cricket fans know about him is that he is a left-handed, high-briar, low-profile batsman. He has opened the New Zealand batting since 1977 and he has been in the same

inverted mould as the England captain, Graham Gooch, and makes little personal impression. Both captains have mixed feelings about shaving.

Wright did well for Derbyshire but lost his best form when he had to compete with Michael Holding for the county's only foreign vacancy. He is grim, not temperamental, when he fails; tall and solid with a solid face leaving narrow eyes little room to open and a chin struggling with gravity. He doesn't waste words. Supporters say he is thoughtful. An enemy might say he is dull.

Wright's form in England this summer has been extremely good. If he can establish a top-class opening partnership it will be of crucial importance - alongside the more aggressive and entertaining Andrew Jones, who sometimes opens in one-day games but usually bats lower down the order, or with Trevor Franklin. Wright's standard

is to bat for an hour, then to bat for an hour, then to bat for an hour. The more you bat, the more you bat. The more you bat, the more you bat.

The home-grown Devon Malcolm of the Foster's Oval one-day game, bowling long spells of disciplined dynamism, underlined the tourists' opening strength and started them

on a nervous decline. But a Greatbatch-style onslaught or a Franklyn-style entrenchment could start Malcolm spitting blood and reverting to a regime of bouncers and wides, as in the second innings of Derbyshire's recent game against Nottinghamshire - his customary reaction to adverse decisions, ill fortune or any serious frustration while bowling.

The New Zealand batting is good. In the recent game against Sussex at Hove, the Sussex declaration left the visitors to make 341 to win, at nearly five an over on a tranquil batting wicket, facing tranquil bowling. They made easy work of it.

The most significant feature of that game was how well New Zealand played in the absence of Richard Hadlee. As the close of a brilliant international career, both in batting and bowling, Hadlee is the demigod of his country's cricket. Though every New Zealand player would stress how much he owes to

Hadlee, the batting of this squad is strong and can hold its own on the one until well down the order, centred round Wright and Martin Crowe, one of the finest No 3's in the world. Greatbatch is the hard-

hitting charismatic element. It is the bowling which lacks thrust and looks vulnerable without Hadlee. His fast or fast-medium bowling with its swing, variation of movement, length, bounce and devastating accuracy - still sharp at the end of a long game - is a study in concentration that is notoriously difficult to read.

It is this concentration and the drive sustaining it which the New Zealand management want Hadlee to pass on, by example, to their new Test bowlers. Their more experienced bowlers, Martin Snedden and John Bracewell, are not the men for the job.

John Bracewell has earned a reputation with some people as one of the world's greatest spin bowlers, but it is despite, not because of his cricket, which would suggest that he is a supremely ordinary off-spinner. He was feeble in India last winter and looks unremarkable now.

You never know, though. Perhaps Bracewell will emerge on song at Trent Bridge to encourage Mark Priest, a fairly new, tentative slow left-arm. Chris Fringle is an efficient fast-medium newcomer. Danny Morrison, the pace bowler, is

nippy, but so far surprisingly unsuccessful. Jonathan Millmow, still only 21 and very skinny, would probably benefit more than any of the others from Hadlee's quiet and powerful presence. Much depends on Hadlee's fitness.

A New Zealander next to me at the Fosters Oval one-day game was so upset by the loss of the junk Millmow was delivering that he switched his allegiance from the New Zealanders to the English. He gives up-and-coming bowlers room to evolve their own style, untroubled by coaching. Millmow fits the bill. He looks as if he has been put together slightly askew and accretes this by running on the spot before starting a long, loping run, and hurling himself into a curious freeze-dried leap that takes away all his speed and leaves him to do his worst with a sense of delay.

Millmow, like all the New Zealand bowlers and everyone in the team, new or old, is dead keen, but it is despite, not because of his cricket, which would suggest that he is a supremely ordinary off-spinner. He was feeble in India last winter and looks unremarkable now.

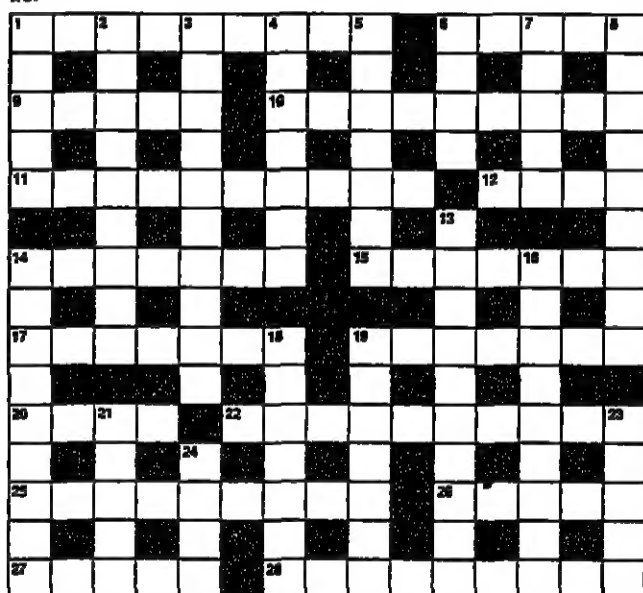
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Cricket's ugly brigade

Theresa McLean on the New Zealanders

CROSSWORD

No. 7,253 Set by HIGHLANDER
Prizes of £10 each for the first five correct solutions opened. Solutions to be received by Wednesday June 13, marked Crossword 7,253 on the envelope, to the Financial Times, Number One Southwark Bridge, London SE1 9BL. Solution on Saturday June 16.



- 1 Game off, sweet on (9)
2 Is unable to include middle of the psalm (9)
3 Accept a small foreign coin with it (5)
4 Old citadel gathering a harvest on hill (10)
5 It makes meaning clear by sharpness of image (10)
6 Not off to church on this unique occasion? (7)
7 Little left in boat? (7)
8 Steal a bit from horse? (7)
9 Finch consolidates the radical vote (7)
10 Confines influence to birds (7)
11 Vessel said to make money (4)
12 Walk miles further - it's all relative (10)
13 Delay rate increase (9)
14 Due to old wound (5)
15 Keep going with single scored to leg (3,2)
16 Ask about third companion making leap over Sadler's Wells stage (8)
- 17 Without delay, with out in front (9)
18 Race one set in delicate fabric framework (7)
19 Advance from public funds gives one politician relief (7)
20 Italian? Yes or no, according to type (6)
21 Title is OK (5)
22 Joint turnover zero, input zero (4)
23 Solution to Puzzle No. 7,252

IMBROVE INDEBRIATE
R N A A L A A H
SLICING RENAISSANCE
P L A E R E I E U
EDAM DEPARTURES
C O E E V E U
TANGLED REVENING
I A A G O
SAINTED STRIVE
I A A G E T
TELEVISION HERE
L A E R O C G L S
LATERAL PRETEXT
I O S E S O S E
CONTENTS LESSON

Solution and winners of Puzzle No. 7,242

DEARLY DUFFERS
R L I A U
AIRPORT WILLIAM
V E R E R G C
SECONDAIRY GOLF
R N A U A
CANOE CASHMERE
O S A E R
ANALYSTS SUITS
O U M
PEES COLLECTION
S T A S E R
TARINA SYMMER
O U O
ROUND FAULTS
E A Key Alderney Channel Islands: Colin Mercer, Thelfield, Herts; Mrs M.M. Osborne, Wigtown, Lincs; G. Ridley, Brighton, E. Sussex; Peter C. Warrick, Esmington, Dorset.

TELEVISION & RADIO

SATURDAY

(Indicates programme in black and white)

BBC1

5.55 pm Playdays. 7.30 The Muppet Babies. 8.15 The 8.15 from Manchester. 11.30 Film: "The 8.15 from Manchester".

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